



April 12, 2017

Mr. Roger Shields, Treasurer  
Research Development & Technical Employees Union  
394 Lowell Street, Unit 7  
Lexington, MA 02420

Case Number: 110-6003509  
LM Number: 015174

Dear Mr. Shields:

This office has recently completed an audit of Research Development & Technical Employees Union (RDTEU) under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you, President David Gay and Office Secretary Debbie Imposimato on January 29, 2016, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

#### Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of RDTEU's 2013-2014 records revealed the following recordkeeping violations:

#### 1. Meal Expenses

RDTEU did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$2,753.46. The union must maintain itemized receipts provided

by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

RDTEU's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, Treasurer Shields incurred \$2,305.68 in reimbursed meal expenses. While receipts and vouchers were provided, the purpose, and those in attendance was not provided. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

## 2. Petty Cash Fund

During the audit, you advised that checks for petty cash were written to Office Secretary Imposimato, cashed by her, and then general office supplies were bought using those funds, and accompanying receipts were provided to you. However, records provided by RTDEU did not support at least \$1,648.05 in checks written to petty cash. For example, a \$600.00 petty cash check was written to Imposimato in December 2013, yet no supporting receipts were provided and retained.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

## 3. Lack of Salary Authorization

RDTEU did not maintain records to verify that the salary for Office Secretary Imposimato was the authorized amount and therefore was correctly reported. During the audit, you disclosed that the salary was decided in years past, though no record was maintained. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that RDTEU will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by RDTEU for the fiscal year ended February 28, 2014, was deficient in the following areas:

1. Disbursements to Officers

RDTEU did not report or did not include some reimbursements to officers totaling at least \$20,236.19 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). While the union did accurately report some instances of disbursements to officers, it appears the union erroneously reported these payments in items 45-54 of the LM-3 report.

The union must report most direct disbursements to RDTEU officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Lost Time Payments

RDTEU did not properly report lost time payments to officers totaling at least \$9,063 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported lost time payments in Column E, Allowances and Other Disbursements. Lost time payments to officers must be reported in Column D, Gross Salary, as per the LM-3 Instructions.

I am not requiring RDTEU file an amended LM report for 2014 to correct the deficient items, since your 2015 report has been filed, and you've almost completed your fiscal year for 2016. However, RDTEU has agreed to properly report the deficient items on all future reports it files with OLMS, including the fiscal year report ending February 28, 2016. This report will be reviewed to ensure any noted deficiencies were corrected, and to confirm RDTEU's compliance with the reporting requirements.

I want to extend my personal appreciation to the Research Development & Technical Employees Union for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call our office at the above number.

Sincerely,

  
Investigator

cc: Mr. David Gay, President  
Ms. Debbie Imposimato, Office Secretary