



August 22, 2016

Mr. Ronald Misiti, President  
International Longshoremen's Association Local 824  
711 12th Avenue  
New York, NY 10019-5043

Case Number: 130-1315418  
LM Number: 035936

Dear Mr. Misiti:

This office has recently completed an audit of International Longshoremen's Association Local 824 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 Treasurer William Cox and, CPA Daniel Jacobs who was teleconferenced in during the meeting on August 17, 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 adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 824's 2013 records revealed the following recordkeeping violation:

ILA Local 824 failed to locate all of its monthly statements from the Thomas P. Reynolds Secs., Ltd. investment institution documenting its account during the audit period between January 1, 2013 and December 31, 2013.

As noted above, labor organizations must retain financial records for at least five years, including bank records for all accounts. During the audit, CPA Jacobs advised that the union was unable to locate several monthly statements from the Thomas P. Reynolds Secs., Ltd. investment firm. However, during the audit, OLMS obtained financial records from the Thomas P. Reynolds Sec., Ltd. for the period January 1, 2011 to December 31, 2015. OLMS confirmed the accuracy of the financial records by additionally obtaining statements from JP Morgan Chase Bank where the union funds are maintained.

Treasurer Cox advised that the union office incurred significant water damage during Hurricane Sandy in October 2012 because of its location near the Hudson River which resulted in the temporary relocation of the office.

I want to extend my personal appreciation to International Longshoremen's Association Local 824 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.

Sincerely,



Investigator

cc: Mr. William Cox, Local 824 Treasurer  
Mr. Stephen K. Knott, International Secretary-Treasurer