



September 17, 2007

Mr. Robert Estrom, Secretary Treasurer  
Commuter Rail Employees LDIV 166  
9 Burr Street  
Branford, CT 06450

LM File Number: 542-607  
Case Number: [REDACTED]

Dear Mr. Estrom:

This office has recently completed an audit of Commuter Rail Employees LDIV 166 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. As discussed during the exit interview with you on September 14, 2007, 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.

The CAP disclosed reporting violations, other violations, and other issues.

#### 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 LM-3 filed by LDIV 166 for fiscal year ending December 31, 2006 was deficient in that:

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Local 166 must file an amended Form LM-3 for fiscal year ending December 31, 2006, to correct the deficient item discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 28, 2007. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation:

**Inadequate Bonding**

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 166's officers and employees were not all bonded for the minimum amount required at the time of the audit. Local 166's bond only covered the local union's secretary treasurer and did not include other individuals who handle union funds. Local 166 should immediately obtain adequate bonding coverage for its other officers who handle union funds, including the local union president, general chairman, and second signatory on the local union's bank accounts. Please provide proof of bonding coverage to this office as soon as possible, but not later than September 28, 2007.

Other Issues

The local union's filing status is being reviewed by OLMS. Until further notice, the local union should continue to file all necessary reports with OLMS and remain compliant with the Labor Management Reporting and Disclosure Act of 1959. When a final determination of the local union's status has been decided, the local will receive notice in writing from OLMS.

I want to extend my personal appreciation to ACRE LDIV 166 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,

Mark Letizi  
District Director