

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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New York, NY 10014
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August 3, 2007

Mr. Michael Tracey, Business Manager
Asbestos Workers, AFL-CIO
Local 91
3191 Albany Post Road
Buchanan, NY 10511

LM File Number 005-519

Case Number: [REDACTED]

Dear Mr. Tracey:

This office has recently completed an audit of Asbestos Workers Local 91 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 Deborah Lindstrom and yourself on August 3, 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.

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.

The audit of Local 91's 2005 records revealed the following recordkeeping violation:

Local 91 did not retain adequate documentation for credit card expenses incurred by Michael Tracey totaling at least \$13,000 for the period. Although monthly billing statements are retained by the union, Local 91 failed to retain corresponding sales receipts. For example, there are recurring gasoline charges present on billing statements for all the months during the period. Even though vehicle records are maintained and the principal officer has prior membership approval, receipts detailing the date, amount and mileage of the vehicle should be maintained.

As previously 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.

Based on your assurance that Local 91 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

The audit also 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-2 filed by Local 91 for fiscal years ending December 31, 2005 and 2006 were deficient in that the amount entered in Item 14, \$2,000,000, is inaccurate. The local is bonded in the amount of \$25,000.

The audit disclosed the following other violation:

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.

Local 91's officers and employees are currently bonded for \$25,000 but they must be bonded for at least \$60,000. Local 91 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than August 17, 2007.

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Local 91 must file an amended Form LM-2 for fiscal years ending December 31, 2005 and 2006 to correct the deficient item discussed above. I explained to you the filing procedures and the availability of filing software on the OLMS website (www.olms.dol.gov). The amended Form LM-2 must be electronically filed as soon as possible, but not later than August 17, 2007. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to Asbestos Workers Local 91 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,

A black rectangular redaction box covering the signature of the investigator.

Investigator

cc: James A. Grogan, Asbestos Workers National President