

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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May 24, 2007

Ms. Gloria Larrondo, President
Journeymen and Allied Trades
Local 947
1500 New York Ave
Huntington, NY 11746

Re: Case Number: [REDACTED]

Dear Ms. Larrondo:

This office has recently completed an audit of Journeymen and Allied Trades 947 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 on May 10, 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.

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 IUJAT Local 947's fiscal year 2005 records revealed the following recordkeeping violations:

1. Officer and Employee Expenses

Local 947 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$1,258. For example, original vendor receipts in support of the credit card statements were not maintained for a \$797 charge bill in October and \$461 in July.

Union officers and employees failed to maintain adequate documentation for two disbursements to Vice-President Javier Vega in the amounts of \$2,700 and \$1,219. IUJAT 947 deposited paychecks for several union members without bank accounts and wrote two checks to Vega. President Gloria Larrondo stated that Vega then paid the workers in cash. Copies of the deposited paychecks were retained however no record was created to account for the cash disbursed.

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.

2. Meeting Minutes

Union officers and employees failed to maintain adequate documentation of two annual general membership meetings. President Gloria Larrondo stated IUJAT 947 holds two annual general membership meetings and that meeting minutes are taken. However, the union did not maintain the minutes as a union record.

As agreed, provided that Local 947 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 947's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can also result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person, not just the individuals who are responsible for filing the union's LM report.

Reporting Violations

The CAP 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 Local 947 for fiscal year ending December 31, 2005, was deficient in that Local 947 reported that the union was bonded, however the union was not bonded.

I am not requiring that Local 947 file an amended LM report for 2005 to correct the deficient items, but as agreed, Local 947 will properly report the deficient items on all future reports filed with this agency.

Other Violations

The CAP 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 handled by those individuals or their predecessors during the preceding fiscal year. Local 947's officers and employees are not currently bonded, but they must be bonded for at least \$11,100.

Local 947 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as adequate coverage has been obtained, but not later than May 31, 2007.

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I want to extend my personal appreciation to Journeymen and Allied Trades 947 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,


Supervisory Investigator