**U.S. Department of Labor**

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
150 Court Street
Room 209
New Haven, CT 06510
(203)773-2130 Fax: (203)773-2333

March 22, 2007

Mr. Mark Debiase, Treasurer
Police Associations, Intl, AFL-CIO
Waterbury Emergency Services Union, Local 117-B
23 Trotters Way
Prospect, CT 06712

Re: Case Number: [redacted]

Dear Mr. Debiase:

This office has recently completed an audit of Waterbury Emergency Services Union 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 and President Michael West on March 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.

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 117-B's 2005 records revealed the following recordkeeping violations:

- Paid invoices were not retained for disbursements for the union's Xmas party at the Lilly Lake Inn in Wolcott, CT in December 2005.
- A paid invoice was not retained for the purchase of the Nextel cell phone.
- No copy of the retainer agreement between the union and Attorney Boyle was found in the union's records.
- Records to adequately document reimbursement payments to President West for cell phone payments were not retained.

As agreed, provided that Local 117-B maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Local 117-B failed to include some reimbursements to officers in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in "Office and Administrative Expense".

All direct disbursements to Local 117-B officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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). The audit found that 8 reimbursement payments totaling $1,479.00 to President West were not properly reported in Item 24.

Local 117-B must file an amended Form LM-3 for fiscal year ending December 31, 2005 to correct the deficient items discussed above. I am providing you with a blank LM-3 form and instructions. The reporting forms and instructions are also available on the OLMS website (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 April 30, 2007.

Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

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. During the audit Local 117-B obtained bonding coverage for its officers and employees for $25,000. However the bond provides for a $500 deductible. Deductibles are considered as a form of self-insurance that is not permitted under Section 502.

Local 117-B 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 April 30, 2007.

The audit disclosed that union checks required only one authorized signature, that deposits of the dues receipts were infrequent and that the treasurer's financial reports were not submitted for membership approval during the audit year. During our meeting on March 14th you agreed to implement a dual signature check, deposit dues receipts more frequently and to prepare and submit financial reports to the membership at the local's quarterly meetings. Further you agreed that the financial reports would be incorporated into the minutes of the membership meetings.

I want to extend my personal appreciation to Waterbury Emergency Services 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.

Sincerely,

[redacted]
Investigator

cc: Michael West, President