



November 4, 2020

Mr. Shawn Tripp, President
Autoworkers, Local 405
666 Oakwood Ave.
West Hartford, CT 06110

Case Number: 110-6017339
LM Number: 036618

Dear Mr. Tripp:

This office has recently completed an audit of Autoworkers, Local 405 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 Financial-Secretary Treasurer Sue Taricani on November 2, 2020, 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 labor organizations maintain adequate records for at least five 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, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation 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 union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 405's 2018 records revealed the following recordkeeping violations:

1. General Reimbursed and Debit Card Expenses

Local 405 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by President Shawn Tripp totaling at least \$4,806. For example, in

January 2018 three airline tickets totaling at least \$893 were purchased with the local's debit card for a conference, but no back up documentation was maintained.

As 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. Lack of Authorization for Snow Plowing Expense

Local 405 did not maintain records to verify that the expenses paid to President Shawn Tripp for plowing of the local's hall driveway and parking lot was authorized and for what amount. The union must keep a record, such as meeting minutes, to show the agreement authorized by the union with the authority to establish such agreements.

3. Failure to Record Receipts for Rental Deposits

Local 405 did not record in its receipts records of funds received as deposits of rental space or a record for the return of those funds to the renter upon successful adherence to the rental agreement. During the audit, you advised that members who rent the union hall provide a payment for the rental and a payment that is held as a deposit to ensure that the renter properly maintains the space. As long as there is no break in the agreement, the funds are returned to the renter. The audit found the union maintained no record of the funds held as deposits and the subsequent return of such monies. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money, including funds subsequently returned to the renter.

Based on your assurance that Local 405 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 Form LM-3 filed by Local 405 for the fiscal year ended December 31, 2018, was deficient in that:

1. Disbursements to Officers

Local 405 did not include some reimbursements to officers totaling at least \$520 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to Local 405 officers and some indirect disbursements made on behalf of its officers 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

2. Failure to Report Rental Deposit Receipts and Disbursements

Local 405 did not report the funds received as held deposits from renters for hall rental or the disbursement of those funds back to the renters after successful completion of the rental agreements, totaling at least \$5,280. The union must report any funds received and handled by the union on each year's annual LM-3 report. Such receipts should be reported in Item 43 "Other Receipts" and the return of the funds should be reported in Item 54 "Other Disbursements". Additional Information can be provided for in Item 56 to explain these added receipts and disbursements.

I am not requiring that Local 405 file an amended LM report for 2018 to correct the deficient items, but Local 405 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Autoworkers, Local 405 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: Ms. Sue Taricani, Financial-Secretary Treasurer