

**U.S. Department of Labor**

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April 13, 2007

Mr. Kevin Brown, Secretary-Treasurer  
Office and Professional Employees Local Union 1295  
4 Eastgate Road  
Billerica, MA 01821

LM File Number: 530-949

Case Number: [REDACTED]

Dear Mr. Brown:

This office has recently completed an audit of Office and Professional Employees Local Union 1295 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 Chief Steward Kenneth Borden on April 13, 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 both record keeping violations and reporting 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 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, 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; 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 as least one union record. Bank records must also be retained for all accounts.

The audit of Local 1295's fiscal year ending 03/31/06 records revealed the following recordkeeping violations:

Union officers failed to record the date and/or purpose of some lost wage claims. Records must be maintained that identify the date, number of hours lost, rate of pay, and the specific union purpose for all lost wages. During the exit interview, Investigator [REDACTED] provided a sample expense voucher Local 1295 may use that identifies the type of information and documentation that must be maintained for lost wages, and other officer expenses.

The local union paid a total of \$11,315.16 in lost time claims for the fiscal year ending 03/31/06. The local union only maintained cancelled checks as documentation for the lost time. These checks did not include the number of hours lost and the rate of pay.

Local 1295 failed to record some employer dues check-off checks and some deposit slips. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source.

The local union collected \$44,826.00 in employer check-off for monthly dues, work permit fees, and new member initiation fees. Local 1295 did not have receipts or other documentation for \$4,210.00 of the \$44,826.00 collected during the fiscal year ending 03/31/06. The local union also did not maintain deposit slips totaling \$14,442.00.

Local 1295 failed to maintain any documentation for executive board or general membership meetings held during the fiscal year ending 03/31/06. Meeting minutes must be complete and contain accurate description of motions, authorizations, salary levels, allowances, expenses, travel or other disbursements or receipt of union funds. The status of motions made should be clear as to whether they were carried, lost or tabled.

Adequate documentation was not retained for most of the local union's disbursements for the fiscal year ending 03/31/06. Documentation missing included receipts, bills, vouchers, and other documentation for \$43,726.64 in disbursements. These missing documentation for disbursements included: \$14,097.95 in per capita fees to the local union's international; \$440.00 in office and administrative costs (including \$350.00 in rent to the Marconi Club for union meetings); \$17,242.63 in professional fees; \$11,696.06 for other miscellaneous expenses (including negotiation/arbitration room rental fees); and \$250.00 for sponsoring a local little league team. Also unavailable were two voided checks totaling \$976.00 and nine cancelled checks totaling \$977.60.

As agreed, provided that Local 1295 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these 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 1295 for fiscal year ending March 31, 2006, was deficient in the following areas: the cash reported at the start of the reporting period was over reported by \$2,359.00; total case receipts for the fiscal year ending 03/31/06 were under reported by \$3,874.00; total disbursements for the local union was under reported by \$57.00; cash disbursements were reported inaccurately for items 45, 46, 48, 49, and 54.

The correct disbursements for the cash disbursement items on the LM-3 filed by Local 1295 for fiscal year ending March 31, 2006 should be the following: Item 45- To Officers: \$1797; Item 46- To Employees: \$13,571; Item 48- Office and Administrative Expense: \$440; Item 49- Professional Fees: \$17,243; Item 54- Other Disbursements: \$11,696.

I am not requiring that Local 1295 file an amended LM report for fiscal year ending March 31, 2006 to correct the deficient items, but as agreed, Local 1295 will properly report the deficient items on all future report filed with this agency.

I want to extend my personal appreciation to Office and Professional Employees Local Union 1295 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

cc: Mr. Kevin Borden, Chief Steward