

**U.S. Department of Labor**

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



September 28, 2007

Mr. Harold Davidson, Business Manager & Financial Secretary-Treasurer  
Roofers Local 12  
15 Bernhard Road  
North Haven, CT 06473

LM File Number: 031-154  
Case Number: [REDACTED]

Dear Mr. Davidson:

This office has recently completed an audit of Roofers Local 12 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 August 24, 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:

### **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 Local 12 records revealed the following recordkeeping violations:

#### **Officer and Employee Expenses**

Union officers failed to maintain adequate documentation for expenses charged to union credit cards. The audit found numerous restaurant charges on the union credit card that were not adequately documented including charges at Foxwood's Veranda Café (March 22, 2006 for \$90.00), Brazi's Restaurant (March 27, 2006 for \$204.84), Chuck's Steak House (April 5, 2006 for \$107.96) and Ruby Tuesdays (May 17, 2006 for \$80.16). The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded. The audit also found that adequate documentation was not kept for credit card purchases at drug stores (June 9, 2006 for \$29.93), car repair shops (Monro Muffler/Brake, August 9, 2006 for \$685.56) and retail stores (Macy's, October 25, 2006 for \$74.19).

#### **Automobile Expenses**

During the initial organizational interview you stated that you used the union-owned vehicle for both union and personal business. Union officers who are assigned a union-owned automobile must maintain a mileage log documenting the business use of union vehicles. In the case of union-owned and leased vehicles, logs are required to be maintained for each union vehicle documenting the date, number of miles driven, and business purpose of each use. In the case of reimbursed mileage expenses for personal vehicles used for business travel, records must be maintained which identify the date of travel, locations traveled to and from, number of miles driven, and the business purpose of each use. The audit disclosed that no mileage log was maintained during period reviewed for the union-owned vehicle.

As agreed, provided that Local 12 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

#### **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-2 filed by Local 12 for fiscal year ending December 31, 2006, was deficient in the following areas:

- The union incorrectly reported its maximum bonding coverage (Item 14) as \$20,000 when the correct amount was \$30,000.
- The union incorrectly reported an \$8,500 receipt from repayment(s) of a loan receivable reported in Item 45 and on Schedule 2 on the LM report. The audit found that repayments of \$3,400 had been received, leaving an unpaid balance of \$5,100.
- The union did not list all officers of local 12 and disbursements to them on Schedule 11 as required. Officers Kevin Guertin, Al Nunes and Ralph Sperandio were not listed on the report. In addition the audit found that Local 12 President Kevin Guertin received union payments of \$512.00 that were not disclosed on the union's LM report.

Local 12 must file an amended Form LM-2 for fiscal year ending Month December 31, 2006, to correct the deficient items discussed above. I explained to you the filing procedures and the availability of the filing software on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-2 must be electronically filed as soon as possible, but not later than October 30, 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 Roofers Local 12 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,

  
Senior Investigator

cc: Mr. Kevin Guertin, President