

**U.S. Department of Labor**

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September 26, 2008

Mr. Juan Rabell, President  
Trabajadores de Puerto Rico, Confed. Ind.  
Union Trabajadores Ready Mix  
504 Avenida de Diego  
Puerto Nuevo, PR 00920

LM File Number 042-548  
Case Number: [REDACTED]

Dear Mr. Rabell:

This office has recently completed an audit of Union de Trabajadores Ready Mix (UTRM) 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 July 29, 2008, 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 UTRM's 2007 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

UTRM did not maintain records to verify that the salaries reported in Schedule 24 (All Officers and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that UTRM 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 UTRM for fiscal year ending June 30, 2007, was deficient in the following area:

1. Investments

UTRM failed to properly report the book value of its investment in the Alliance Bernstein Growth Funds in Statement A (Assets and Liabilities). The investment value reported on the LM-2 was substantially overstated. The investment did not reflect the lower of cost or market (book value). I am not requiring that UTRM file an amended LM report for year ending June 30, 2007 to correct the deficient items. But as agreed, Local 237 will properly report the book value of all mutual fund investments on all future reports filed with this agency.

Inadequate Bonding

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 those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that UTRM officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

#### Personal Use of Credit Cards

The audit revealed that UTRM permitted an officer to use union credit cards to pay for personal expenses of one hundred dollars. Although the officer repaid UTRM for the personal expenses charged, OLMS does not recommend policies that allow personnel to make personal purchases with union credit cards because this may lead to misuse of union funds.

I want to extend my personal appreciation to Union de Trabajadores Ready Mix 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,

  
OLMS Investigator

cc: Treasurer Efrain Figueroa