

U.S. Department of Labor

Employment Standards Administration
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December 29, 2008

Mr. Matthew Weldon, President
Utility Workers Council Local Union 330
4 Rocklandroad Court
Auburn, MA 01501

LM File Number: 028-337

Case Number: [REDACTED]

Dear Mr. Weldon :

This office has recently completed an audit of the Utility Workers Council Local Union 330 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 Karen Stalilonis on December 23, 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.

Record Keeping 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 the Utility Workers Council Local Union 330 records revealed the following recordkeeping violations:

1) General Expenses:

The Utility Workers did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Officers Weldon, Stalilonis, and Fortier totaling at least \$793.94. For example, a payment for \$53.34 made to Karen Stalilonis with check # [REDACTED] drafted on 12/28/2007 lacked sufficient supporting documentation.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2) Meal Expenses

The Utility Workers records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, \$132.94 in reimbursed expenses paid to President Matthew Weldon with check # [REDACTED] for a meal at the Longhorn restaurant lacked adequate documentation on the meal receipt to indicate union business.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3) Lack of Salary Authorization

The Utility Workers Union did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. Specifically, the union failed to provide documentation for authorization of \$150 Christmas bonus checks that were given to officers. The union must keep a record, such as meeting minutes, to show the current salary authorization by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that The Utility Workers Local **330** 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 the Maintenance and Service Employees Union for fiscal year ending 06/30/2007, was deficient in the following area:

- 1) Failure to accurately report officer salary.

Payments made by the union to National Grid on behalf of officers as reimbursement for union leave payments made by the employer were not included as salary payments in the LM-3 report under Item 24. The union incorrectly reported these lost time reimbursement payments totaling \$45,584.25 as other disbursements, Item 54. Instructions for the LM-3 report indicate that disbursements for "lost time" should be included in column D of Item 24.

I am not requiring that Local 330 file an amended LM report for 2007 to correct the deficient items, but Local 330 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to 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: Karen Stalilonis, Treasurer