

U.S. Department of Labor

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



May 7, 2009

Mr. Paul Fitzpatrick, President
Catholic School Teachers Asn Ind
Greater Hartford
22 Main Street Ext, A-6
Simsbury, CT 06081

LM File Number 530-055
Case Number: [REDACTED]

Dear Mr. Fitzpatrick:

This office has recently completed an audit of Catholic School Teachers Asn 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, Gina Burby, and [REDACTED] on Tuesday, April 28, 2009, 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 Violation

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 Catholic School Teachers Asn Ind revealed the following recordkeeping violations:

1. Per Capita Tax

Disbursements to the National Association of Catholic School Teachers were not properly classified as per capita tax. These payments were apparently classified between "benefits" and "other disbursements."

Based on your assurance that the Catholic School Teachers Asn Ind will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 LM-# filed by the Catholic School Teachers Asn Ind for the fiscal year ended 06/30/08 was deficient in the following areas:

1. Bonding, Question 20

The local answered Question 20, which asks "What is the maximum amount recoverable under your organization's fidelity bond, for a loss caused by any officer or employee of your organization?", with the figure \$50,000. Since the local did not in fact have any bonding coverage, this was not true.

2. Disbursements to Officers (LM-3)

The local did not include some reimbursements to officers, including \$200 each in negotiating stipends to President Paul Fitzpatrick and Building Representatives Jim O'Connell and Raffaele Aliberti. The local did not include in other disbursements reimbursed expenses to Paul Fitzpatrick in the amount of \$41, to Vice President Richard Nevins in the amount of \$420.81 (check # [REDACTED]) and to BR Jim O'Connell in the amount of \$327.83 (Check # [REDACTED]). All of these amounts should have been reported in Item 24, and carried over to Item 45 ("To Officers").

The union must report most direct disbursements to local 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 thing 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 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.

3. Contribution, Gifts & Grants

The local failed to report \$14,200 in scholarships given as gifts to the four high schools the members teach at in Item 51, reporting them instead in Item 50, as Benefits.

I am not requiring that the Catholic School Teachers Asn Ind file an amended LM-3 report for 06/30/08 to correct the deficient items, but the local has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit disclosed the following other violation:

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.

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As mentioned above, the local has been reporting that it was bonded for \$50,000 when in fact it was not carrying any bond. However, during the course of the audit, 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.

I want to extend my personal appreciation to Catholic School Teachers Asn 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: Gina Burby, Treasurer