

**U.S. Department of Labor**

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November 17, 2009

Ms. Patrice Sneyd, Treasurer  
Boston Newspaper Guild TNG-CWA  
Local 31245  
47 Willard Street  
Quincy, MA 02169

LM File Number 027-480  
Case Number: [REDACTED]

Dear Ms. Sneyd:

This office has recently completed an audit of the Boston Newspaper Guild (BNG) 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, Acting President Scott Steeves, Secretary Kathy McCabe, Executive Council Member-at-Large Carl Younger, Office Administrator Dawn McDavid-Bauman, and Office Administrator Jennifer Keane on November 10, 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. The CAP disclosed the following:

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 the Boston Newspaper Guild's records for fiscal years ending 9/30/08 and 9/30/09 revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

The BNG did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Daniel Totten totaling at least \$3,500. For example, President Totten did not retain/turn in receipts to the union office for meals at various restaurants both locally and on travel, and Verizon Wireless, Walgreens, and officers' hotel rooms while on travel.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Labor organizations should also retain conference calls or meeting agendas to verify the purpose of union travel. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

The BNG did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$5,694. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

The BNG's records of meal expenses did not always include written explanations of union business conducted and/or the names and titles of the persons incurring the restaurant charges. For example, President Totten charged meals at The Fours, Siros Restaurant, Legal Seafood, and Joe's American Bar and Grill with no explanation of the union business conducted and/or no identification of the

persons present at the meals. 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. The records retained must identify the names of the restaurants where the officers or employees incurred meal expenses. Also, when officers incur meal charges at a hotel while on travel, the itemized receipt for those meal expenses as well as the itemized hotel receipts must be maintained.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file the Boston Newspaper Guild's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

#### Other Violations

##### 1. Personal use of Credit Cards

The audit revealed that BNG President Daniel Totten used the union credit card to pay for unauthorized expenses. A two year review of charges to the union's credit card revealed that President Totten made \$1,441 in charges that the union did not authorize on the union's credit card. Although President Totten reimbursed the union for \$952 during this time period and the BNG owes President Totten for some charges credited back to the union credit card, President Totten still has an outstanding balance owed to the union. For this two year period, President Totten owes the Boston Newspaper Guild \$254 for such expenditures charged to the union credit card.

##### 2. Falsification of Union Records

It was further disclosed that BNG President Daniel Totten forged another officer's name to Totten's paycheck that was being withheld until receipts (or reimbursements) were turned into the union office for charges made to the union's credit card.

The union should be aware that these activities constitute fiduciary violations per the LMRDA Sections 439 (False Records) and 501 (Fiduciary Violations). While this matter will not be pursued further at this time, OLMS recommends that President Totten reimburse the union for the remaining outstanding unauthorized expenditures and that stricter internal checks and balances are put into place to avoid this occurring in the future.

#### Other Issues

The audit revealed that due to a clerical error, Acting President Scott Steeves was not notified that he owed the Boston Newspaper Guild a balance of \$116 from personal expenses incurred while in Las Vegas, NV for the CWA Convention in 2008. Upon notification of this outstanding balance, Acting President Steeves immediately reimbursed the union \$116 and this money has been deposited into the union's checking account.

I want to extend my personal appreciation to the Boston Newspaper Guild 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: Scott Steeves, Acting President  
Daniel Totten, President