



November 21, 2012

Mr. Oliver Tolve, President
Teachers AFL-CIO Local 3949
139 North Main Street
West Hartford, CT 06107

Case Number: [REDACTED]
LM Number: 526-788

Dear Mr. Tolve:

This office has recently completed an audit of Teachers Local 3949 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 November 20, 2012, 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 Teachers Local 3949's 2011 records revealed the following recordkeeping violations:

1. Receipt Dates Not Recorded

Entries in Local 3949's check book register reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Failure to Record Receipts

Local 3949 did not record in its receipts records some employer dues checkoff checks totaling \$17,988.80. The four dues checkoff checks totaling \$17,988.80 were deposited into the local's checking account in February 2011, per the bank statement, but not documented in the local's check book register. Union receipts must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Teachers Local 3949 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 LM-3 filed by Teachers Local 3949 for fiscal year ending June 30, 2011, was deficient in the following areas:

1. Disbursements to Officers

Local 3949 did not report the names of some officers in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 3949 officers and some 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 things 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 issued 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 (Office and Administrative Expense).

2. Signatures

The completed Form LM-3 which is filed with OLMS must be signed by both the president and treasurer or corresponding principal officer of the organization. The form is dated the date the report is signed. While the president and treasurer of Local 3949 signed the 2011 LM-3 Report, they dated the form a date three months earlier than the close of the fiscal year. The local's fiscal year ended June 30, 2011, but the submitted LM-3 Report was dated March 26, 2011.

Local 3949 must file an amended LM-3 for fiscal year ending June 30, 2011, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than December 5, 2012. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Teachers Local 3949 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: Mr. Carey Mallach, Treasurer