



September 20, 2013

Mr. Stephen P. Snipes, Business Manager
Laborers Local 1224
475 Ledyard Street
Hartford, CT 06114-3211

Case Number: 110-176760-
LM Number: 067790

Dear Mr. Snipes:

This office has recently completed an audit of Laborers Local 1224 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 on September 19, 2013 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 Local 1224's 2012 records revealed the following recordkeeping violation:

Officer Expenses

Local 1224 did not retain adequate documentation for expenses incurred by Business Manager Stephen Snipes totaling at least \$2,881.63. For example, union officers are authorized a flat per diem rate of \$200 per day for travel on union business, but no validating voucher was created to support per diem payments.

As noted above, labor organizations must retain *original receipts, bills, and vouchers for all disbursements*. 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.

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 Local 1224 for the fiscal year ended December 31, 2012, was deficient in the following area:

Disbursements to Officers

Local 1224 did not report the total amounts of payments to officers or payments on their behalf in Item 24 (All Officers and Disbursements to Officers). During the audit year, Local Recording Secretary Partrice Sterling received a total of \$1,250 in monthly stipends. The local's LM Report for the audit year records Sterling as receiving \$0.00 for the audit year.

Local 1224 must file an amended Form LM-3 for the fiscal year ended December 31, 2012, to correct the deficient items discussed above. I provided you with a blank form and instructions, and 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 October 19, 2013. 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 Laborers Local 1224 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. Vera Haynes, President