



February 5, 2015

Mr. Frank Tangorra, President  
Intl. Federation of Professional & Technical Engineers  
Local 98 - U.S. Army Corps of Engineers  
26 Federal Plaza, Room 1908  
New York, NY 10278

Case Number: 130-1315478 [REDACTED]  
LM Number: 543478

Dear Mr. Tangorra:

This office has recently completed an audit of Intl. Federation of Professional Technical Engineers Local 98 (IFPTE Local 98) 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 Treasurer Jeannette Jones, Vice President Franco DiCroce, and you on January 20, 2015, 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 IFPTE Local 98's 2012 records revealed the following recordkeeping violations:

During the audit, Treasurer Jeannette Jones, Vice President Franco DiCroce, and you advised OLMS that the union was not in possession of membership minutes and executive board minutes for the audit year. OLMS was advised that the minutes were misplaced during the period of time

the union office was closed for renovation. Article 9 of the IFPTE Local 98 Bylaws requires the union to keep minutes of the proceedings for the union and the Executive Board.

#### 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 IFPTE Local 98 for the fiscal year ended September 30, 2012, was deficient in that:

The LM instructions requires that the union enter on Line No. 25 (Cash) the total of all your organization's cash on hand and on deposit at the start and end of the reporting period in Columns (A) and (B), respectively. Include all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Also include any interest credited to your organization's account during the reporting period.

The CAP disclosed that the union reflected the incorrect starting and ending Cash balances (Line No. 25) on the Form LM-3 for the reporting period. IFPTE Local 98 filed an amended Form LM-3 for fiscal year 2012 to correct the deficient items prior to the conclusion of the audit. As a result, OLMS will take no further enforcement actions regarding this issue.

#### Other Violations

The CAP disclosed the following other violation(s):

##### 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 handled by those individuals or their predecessors during the preceding fiscal year. The IFPTE Local 98's labor organization bond was inadequate as it relates to the protection required by Section 502 (Bonding). However, 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 IFPTE Local 98 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: Ms. Jeannette Jones, Treasurer  
Mr. Franco DiCroce, Vice President  
Mr. David LaFemina, International Representative