

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
Boston, MA 02203
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May 9, 2005

Mr. Thomas C. Troy, Jr., President/Business Manager
Laborers, AFL-CIO Local 1421
P.O. Box 51238
Boston, MA 02205-1238

Re:

Dear Mr. Troy:

This office has recently completed an audit of Laborers, AFL-CIO Local 1421 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 Bill Hanley, Carol Ryan and you on March 28, 2005, 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 that the union failed to maintain adequate records to verify the completeness of reports required to be filed with the Secretary of Labor in violation of Section 206 of the LMRDA. Specifically, the union did not maintain back up documentation of its American Express charges for the period 2003 and 2004. No additional investigation is warranted regarding this issue as the union agreed to keep all future back up American Express records.

In addition, the union has agreed to review how it pays out per diem to members in travel status. The union cannot continue its policy of paying members a per diem and paying for actual charges on the same trip. The union must decide to use one or the other type of payment for incurred travel expenses. Also, Massachusetts District Council salaries paid out by the union should appear in Schedule 9/Column E and should appear on W-2 forms issued by the union.

Based on a review of American Express charges, the union incorrectly paid for an airline ticket for 6,700 700. According to union officials, payments related to spouses of union officials are not allowed. As such, this ticket should not have been paid by the union. This issue was rectified when the union provided proof that 700 reimbursed the union for the cost of the ticket purchased on April 18, 2003.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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Investigator

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