

U.S. Department of Labor

Office of Labor-Management Standards
Boston District Office
Room E365
JFK Federal Building
Boston, MA 02203
(617) 624-6690 Fax:(617) 624-6606



May 18, 2011

Mr. William Miller, President
Longshoremens Local 800
496 Summer Street
Boston, MA 02210

LM File Number: 019-801

Case Number: [REDACTED]

Dear Mr. Miller:

This office has recently completed an audit of Longshoremens Local 800 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 Business Agent George McEvoy and Treasurer Michael McEvoy on May 13, 2011, 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 Longshoremens Local 800's 2009 records revealed the following recordkeeping violations:

1. Expenses (General and Reimbursed)

Local 800 did not retain adequate documentation for expenses incurred by the local totaling at least \$2,654.95. For example, the local did not retain an invoice from Murphy Financial for \$2,100.

As previously 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.

2. Lost Wages

Local 800 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$6,265. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that local 800 did not use/require lost time vouchers.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, and a sample of an expense voucher Local 800 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 800 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 Local 800 for fiscal year ending December 31, 2009, was deficient in the following areas:

1. Disbursements To Officers

Local 800 did not report reimbursements to officers totaling at least \$258.81 in Item 24 (All Officers and Disbursements to Officers). It appears the local erroneously reported these payments in Item 48 (Office and Administrative Expense), Item 51 (Contributions, Gifts & Grants), and Item 54 (Other Disbursements). The local also did not report lost time payments to the president, treasurer, and recording secretary totalling \$6,265 as salary in Item 24 D (Gross Salary). It appears the lost time payments were reported in Item 24 E (Allowances and Other Disbursements).

Local 800 reported the name of the business agent and an executive board member and the total amount of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). These individuals are elected employees and not elected officers . Their disbursements should have been reported in Item 46 "To Employees."

The union must report most direct disbursements to Local 800 officers and some indirect 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. Cash Reconciliation

The cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Longshoremens Local 800 must file an amended Form LM-3 for fiscal year ending December 31, 2009 to correct the deficient items discussed above. The amended LM-3 should be submitted to this office at the above address as soon as possible, but not later than June 14, 2011. 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 Longshoremens Local 800 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: Michael McEvoy, Treasurer
George McEvoy, Business Agent