

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
150 Court Street
Room 209
New Haven, CT 06510
(203)773-2130 Fax: (203)773-2333



June 2,2008

Mr. Thomas Murphy, Business Manager
Roofers AFL-CIO
Local 248
63 1/2 Main Street
Chicopee, MA 01020

Re: Case Number: [REDACTED]
LM File Number: 029-009

Dear Mr. Murphy:

This office has recently completed an audit of Roofers LU 248 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 and attorney Michael Doheny on May 27, 2008, 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 recipients 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 248's 2007 records revealed the following recordkeeping violations:

1. Officer and Employee Expenses

Local 248 did not retain adequate documentation of reimbursed expenses and credit card expenses incurred by Business Managers Jerome Carrigan and Thomas Murphy. Specifically, Mr. Carrigan received \$2,400 for building office walls in the rental space, but no supporting documentation for this expense existed in the union's records. In addition, credit card payments for both officers were not supported in the union records by original receipts and/or invoices.

2. Failure to Record Loans

Local 248 made two loans in 2007, \$1,000 to the Roofers Education fund (repaid in 2008) and \$500 to member _____ (repaid in 2007). Union records must include an adequate identification of all money the union disburses and receives. The records should show the date and amount, and the source of any money received.

3. W-2 Error

Local 248 misreported the amount paid to former Business Manager Jerome Carrigan on his W-2, and on form 941. Carrigan received five salary payments in the one month rather than the four included in the payroll journal. The correct amount paid to Carrigan in 2007 was \$19,228, rather than the listed amount of \$18,216. The correct amounts appeared in the union's disbursements journal.

Based on your assurance that Local 248 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 LM-3 filed by Local 248 for the fiscal year ending December 31, 2007 was deficient in the following areas:

1. Questions 17/18, and 20

LU 248 answered questions 17 and 18 incorrectly. Question 17 should have been answered "yes", since two of LU 248's officers received over \$10,000 in payments. Question 18 should have been answered "yes" since the local made two loans during 2007, to the Education Fund (\$1,000) and to a member (\$500). Question 20 was answered \$1,000,000, but the bond carried for the local (rather than the benefit funds) has a maximum recoverable amount of \$40,000, which should be entered in that item.

2. Disbursements to Officers (LM-3)

Local 248 did not include some reimbursements to officers in the amounts reported in Item 24. President Michael Heath Jr received \$300 in reimbursed expenses, which was not reported on the form.

Former Business Manager Jerome Carrigan, who served as Treasurer of LU 248 until he resigned, was not included at all on the list of officers. He should be listed as a past officer, who received a gross salary of \$19,228, and expenses of \$5,150 (including a car allowance payment of \$950).

Current Business Manager/Treasurer Thomas Murphy received \$2,535 in reimbursed expenses (including car allowance payments of \$1,650).

The total paid to officers, minus net disbursements of \$16,551, which should have been carried over to Item 45 is \$45,382.

2. Cash Disbursements reporting (LM-3)

Local 248 failed to break out per capita payments (Item 47) which totaled \$34,086. The local also reported benefit payments of \$24,481 in Item 51 (Contributions)

Mr. Thomas Murphy
June 2, 2008
Page 4 of 4

instead of properly putting them in Item 50 (Benefits). The local did not report the total of loans made (\$1,500) in Item 53.

I advised you at the exit interview that Local 248 must file an amended Form LM-3 for fiscal year ending December 31, 2007, 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 June 20, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

You also agreed to properly report the deficient items on all future reports filed with OLMS.

I want to extend my personal appreciation to Roofers LU 248 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 J. Doheny