

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
Suite 760 West
The Curtis Center
170 S. Independence Mall West
Philadelphia, PA 19106-3310
(215) 861-4823 / FAX: (215) 861-4819



April 22, 2005

Secretary-Treasurer Martin Mascuilli
Longshoremen's Association AFL-CIO
Local 1291
3460 N. Delaware Avenue
Philadelphia, PA 19134

Re: C 2

Dear Mr. Mascuilli:

This office has recently completed an audit of Longshoremen's Association Local 1291 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 on April 22, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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.

The following record keeping deficiencies were revealed during the audit of Local 1291's 2004 records:

1. **Disbursement Records**

With respect to documentation retained in support of specific disbursements, Local 1291 maintains one checking account with Commerce Bank. The bank returns copies of only the

face of canceled checks to Local 1291. Commerce Bank does not provide copies of the reverse side of negotiated checks to the local. Canceled checks maintained fail to identify the endorser of the union checks in a manner which can be verified. It is required that Local 1291 establish a checking account which will provide endorser information for all cancelled checks.

2. Meeting Minutes

Meeting minutes maintained for executive board and membership meetings do not adequately document authorizations and approvals for disbursements of union funds and purchase of investments. Minutes must clearly identify the amount of funds authorized, the approval for the expenditure and the union purpose for each expenditure. Local 1291 must document in meeting minutes the exact amount authorized for each expenditure of union funds.

Additionally, Local 1291 often has difficulty establishing a quorum for membership meetings. It is strongly recommended that the recording secretary make a minutes entry each time a membership meeting is canceled for lack of a quorum. The entry will serve to identify the cancelled meetings and as back-up documentation for any meeting expenses incurred on that date.

As agreed, provided that Local 1291 maintains adequate documentation for its disbursements and purchase of investments in the future, no additional enforcement action will be taken regarding these violations.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Candelaria's successors at whatever time you may leave office.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,



Investigator

cc: President Salvatore Candelaria