

**U.S. Department of Labor**

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January 31, 2008

Mr. James Reilly, Financial Secretary- Treasurer  
Amalgamated Transit Union Local 443  
P O Box 10773  
Park Square Center  
Stamford, CT 06904-1773

LM File Number: 004-561  
Case Number: [REDACTED]

Dear Mr. Reilly:

This office has recently completed an audit of Amalgamated Transit Union Local 443 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 President William Dellipoali on November 7, 2007, 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:

#### Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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 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 note can be written on it providing the additional information. An exception may be made only in

those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

#### 1. Receipts Records

The audit found that receipts records maintained by local 443 failed to explain and identify the source of the money received by the union. The receipts journal entries identified only the amount of the bank deposit but not the nature of the funds comprising the deposits. The audit identified insurance refunds (Peerless) and product rebates (Nextel) paid to local 443 in the audit year that were not clearly identified in the union records. As a result of these recordkeeping violations, the non-dues funds received by local 443 were improperly reported as dues in Statement B, line 38. These types of receipts should be reported on line 43, "Other Receipts" on the report.

During our meeting on November 7, 2007 you agreed to clearly identify the source of the funds in Local 443's financial records in the future. Therefore, no further action by this office is contemplated.

### Reporting Violations

The CAP 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

#### 1. Bonding Information (LM-3 item 20)

The amount reported as the maximum amount recoverable under your labor organization's fidelity bond (item 20) was incorrectly reported as \$1,000,000. The audit established that the correct amount of bond coverage for 2006 was \$7,500 (see "Other" violations below).

2. Amount of Cash at End of Reporting Period (LM-3 item 25[B])

The audit found that the amount reported in item 25 (B), cash at the end of the reporting period was incorrect. The amount reported was \$10,410; the amount of cash at the end of the reporting period, December 31, 2006, determined by the audit was \$20,496.

3. Disbursements to Officers (LM-3 item 24)

Local 443 failed to include reimbursements paid to officers in Item 24 (All Officers and Disbursements to Officers) of the LM-3 report. Reimbursements paid to Mr. Dellipoali, Mr. Lefler and you were not reported in column E, item 24. The payments appear to have been erroneously reported in item 54, "Other Disbursements". All direct disbursements to Local 443 officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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).

Local 443 must file an amended Form LM-3 for fiscal year ending December 31, 2006 to correct the deficient items discussed above. I provided you with a blank form and instructions, and discussed with you the availability of the reporting forms and instructions on the OLMS website ([www.olms.dol.gov](http://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 February 29, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

### Other Violations

#### 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.

Local 443's officers and employees were bonded for \$7,500, but they must be bonded for at least \$7,700.

Adequate bonding coverage has been obtained and documentation of the current increased coverage has been provided to this office. No further action on this issue is necessary.

I want to extend my personal appreciation to Amalgamated Transit Union Local 443 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,



Senior Investigator

cc: Mr. William Dellipoali, President

Letter/Mr. James Reilly  
January 31, 2008  
Page 5 of 5