



June 21, 2013

Mr. James McCarthy, Treasurer
Longshoremens ASN AFL-CIO
Local 1066
10 Kingsley Road
North Easton, MA 02356

Case Number: 110-17650 [REDACTED]
LM Number: 021-755

Dear Mr. McCarthy:

This office has recently completed an audit of Longshoremens Local 1066 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 June 14, 2013, 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 1066's 2011 records revealed the following recordkeeping violations:

1. Receipt Dates Not Recorded

Entries in Local 1066's general ledger reflect the date the union deposited money, but not the date money was received. Local 1066's member's individual dues records indicate that dues were paid but do not reflect the date members actually paid their monthly dues. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Lost Wages

Local 1066 did not retain adequate documentation for lost wage reimbursement payments to union officers in at least nine instances. 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 1066 did not require/retain union vouchers in the nine cases.

During the exit interview, I provided a sample expense voucher Local 1066 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.

3. Lack of Salary and Expense Authorization

Local 1066 did not maintain records to verify that the salaries and allowance expenses reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore, correctly reported. The union must keep a record, such as meeting minutes, to show the current salary and allowances authorized by the entity or individual in the union with the authority to establish salaries and allowances.

Based on your assurance that Longshoremens Local 1066 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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I want to extend my personal appreciation to Longshoremens Local 1066 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,

[REDACTED]

Investigator

cc: Mr. William Sullivan III, Business Agent