

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



December 4, 2008

Mr. Shawn D. Tripp, President
Auto Workers AFL-CIO
Local Union 405
666 Oakwood Avenue
West Hartford, CT 06110-1507

LM File Number 036-618
Case Number: [REDACTED]

Dear Mr. Tripp:

This office has recently completed an audit of Auto Workers LU 405 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 Susan Taricani on Monday, December 1, 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.

The CAP disclosed the following:

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 Local 405's 2007 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 405 did not retain adequate records regarding the rental of the union hall to outside parties. No rental documents were retained after the rental period was over, so it was impossible to audit the rental income and associated expenses. The former president used some cash from rental income to purchase union supplies, but no records of this use of the cash were kept.

2. Reimbursed Auto Expenses

Former LU 405 President [REDACTED] collected \$3,601.59 in mileage expenses in 2007. All of [REDACTED] expenses were reported on monthly travel vouchers, but those vouchers showed only a gross monthly mileage figure, with no breakdown by day or explanation of the union purpose of the claimed mileage. There was no adequate explanation or documentation for the travel expenses (mileage) claimed.

3. Petty Cash Fund

The former president maintained inadequate documentation for the petty cash fund. Although there were receipts in the petty cash envelopes, not all were legible, and many were not clear documentation of the union purpose of the amounts disbursed.

4. Failure to Maintain Minutes

The local's minute books were missing minutes from several months where membership meetings apparently occurred (being referenced in other month's minutes), but no hard copies were in the local's minute book. The local was unable to secure copies of the missing minutes from the former recording secretary. The local minute books should include a copy of the minutes as soon as they are prepared.

5. Missing W-2's and Form 941's

The union did not have copies of all W-2's issued for 2007 and copies of all federal tax forms (Form 941) for the tax year 2007 in the union records. Copies of all forms filed should be maintained in the union records.

Based on your assurance that Local 405 will retain adequate documentation in the future, and on the examples you have provided to show that you are now keeping adequate documentation in all of the above areas, OLMS will take no further action at this time regarding the above violations.

I want to extend my personal appreciation to Auto Workers LU 405 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: Susan Taricani, Financial Secretary-Treasurer