



November 14, 2011

Mr. Bryant Ribeiro, President
Laborers Local 385
115 Alden Road
Fairhaven, MA 02719

Case Number: [REDACTED]
LM Number: 008-550

Dear Mr. Ribeiro:

This office has recently completed an audit of Laborers Local 385 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 Business Manager/Secretary-Treasurer Dennis Maltais on November 9, 2011, 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 Violation

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 385's records for the fiscal year ended December 31, 2009 revealed the following recordkeeping violation:

Lack of Salary Authorization

Local 385 did not maintain records to verify that the salary reported to its office secretary in Schedule 12 (Disbursements to Employees) of the LM was the authorized amount of salary and allowances and therefore was correctly reported. Although the local was able to produce meeting minutes from 1998 authorizing the creation of the position, the local was unable to produce records to validate the hourly rate, number of hours worked, and related allowances paid to the office secretary during the audit year. The union must keep a record, such as meeting minutes, to show the current salary, type and amount of related allowances, and any benefits authorized by the entity or individual in the union with the authority to establish salaries.

Based on the assurance of Secretary-Treasurer Maltais that Local 385 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

1. Consultant Resolution

Upon reviewing the terms of employment of former Business Manager/Secretary-Treasurer [REDACTED] as a consultant for the local union, OLMS noted that the agreement requires the creation of “a protocol whereby the hours of consulting services are documented together with itemizing the services.” Current Business Manager/Secretary-Treasurer Dennis Maltais indicated that the local did not maintain a record of [REDACTED] consulting services; however, he later stated that [REDACTED] personally keeps a record of his activities in a book that is maintained at [REDACTED] home. OLMS recommends that Local 385 review the resolution establishing the terms of [REDACTED] employment to ensure that the union is in compliance with its internally established policy.

2. Handling of Undeposited Receipts

Maltais stated that the local sometimes “cashes” checks for officers and others, as a matter of convenience, using the local’s funds that were collected as dues and booked, but not yet deposited. OLMS recommends that Local 385 discontinue this practice, as it allows for the potential of a significant breach in the local’s fiduciary accountability, in order to improve internal control of union funds.

I want to extend my personal appreciation to Laborers Local 385 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. Dennis Maltais, Business Manager/Secretary-Treasurer