

U.S. Department of Labor

Office of Labor-Management Standards
JFK Federal Building
Suite E-365
Boston, Massachusetts 02203
Telephone: (617) 624-6690



August 29, 2005

Charles Sartini, Financial Secretary-Treasurer
Elevator Constructors
Local 39
23 Oliver Street
Chepachet, RI 02814

Re: LM #007-723

Dear Mr. Sartini:

This office has recently completed an audit of the Elevator Constructors Local 39 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Compliance Act of 1959, as Amended (LMRDA). As discussed during the exit interview with you on August 23, 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.

The CAP disclosed that the union's 12/31/2003 Labor Organization Annual Report, LM-3 was deficient and did not meet the standards of acceptability in violations of LMRDA Section 201(b). Specifically, the cash balances were incorrectly reported, interest income and miscellaneous income (fines and claim bake) were not recorded; and disbursements were understated. As a result of the audit an amended LM-3 for 12/31/2003 which corrected these deficiencies was prepared and submitted to OLMS.

The CAP also disclosed that the union failed to maintain all supporting documentation for receipts and disbursements. Documentation was not maintained for fines received; all payments to the lobbyist; the claim bake and t-shirts and the benefit plan. Section 206 of the LMRDA requires that a union maintain adequate records to verify the accuracy of reports filed with the Secretary of Labor. Since you agreed to keep better records in the future, no action will be taken on this matter at this time.

The CAP further disclosed that the Local was not adequately bonded. The officers of the local were bonded with the ⁴ in the amount of \$20,000. Section 502 of the LMRDA requires that the officers of the local be bonded for a minimum of 10% of funds handled. To be in compliance with Section 502 a bond in the amount of \$28,000 is required. As a result of the audit the bonding coverage was increased to \$30,000.

I want to extend my personal appreciation for the cooperation and courtesy extended by you during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call 617-664-6698.

Sincerely,

FCC

Investigator