

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
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July 29, 2009

Mr. Joaquin Iriondo, Secretary-Treasurer
Autoworkers AFL-CIO
Local 8868
14 Jared Court
South Windsor, CT 06074

LM File Number 518-064
Case Number: [REDACTED]

Dear Mr. Iriondo:

This office has recently completed an audit of Autoworkers LU 8868 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 Monday, July 27, 2009, 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 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 the Autoworkers LU 8868 revealed the following recordkeeping violations:

1. Large and Unusual Disbursements

Local 8868 disbursed \$87,000 to AC Alliance, LLC (of which \$20,000 was returned to the local in 2008). These funds were disbursed in two checks, Check # [REDACTED] in the amount of \$50,000, and Check # [REDACTED], in the amount of \$37,000. There was no supporting documentation for these disbursements in the union records. A third party inquiry to AC Alliance in Florida was able to procure a copy of the consulting contract and some of the media buy documentation, but all of these documents should have been retained in the union records.

2. Benefits

Local 8868 disbursed \$12,873 to Anthem Blue Cross and Blue Shield in benefit payments to cover health insurance costs for former President [REDACTED] ([REDACTED]). There was no supporting documentation retained in the union records reflecting the executive board's approval to fund these amounts, along with the \$1 per month in salary paid to the union president. These amounts were approved prior to [REDACTED] election as president several terms ago, but no record of the approval currently exists in the union records.

3. Payments for Lost Time

Local 8868 disbursed \$5,292 to former President [REDACTED] in lost time payments during the audit period, calendar year 2007. [REDACTED] was not working as a jai alai player during this year, and the lost time payments apparently were intended to cover income lost from his personal business.

There was no back-up documentation in the union records to support the amounts paid to [REDACTED] for lost time.

4. Meeting Minutes

No record of executive board or general membership meetings was maintained for the calendar year 2007. You indicated that such meetings did occur, but that no one was responsible for, or willing to take, minutes of the meetings. You were advised that it is necessary to maintain minutes of all decisions arrived at in executive board and general membership meetings, especially decisions regarding the outlay of funds.

Based on your assurance that the Autoworkers LU 8868 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Autoworkers LU 8868 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: Jose R. Oyarbide, President