

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Boston District Office  
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John F. Kennedy Federal Building  
Boston, MA 02203  
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February 8, 2005

Joseph Verrette-Treasurer  
Utility Workers LU 555  
P.O. Box 1198  
Seabrook, NH 03874

Re: 2

Dear Mr. Verrette:

This office has recently completed an audit of Utility Workers LU 555 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 February 8, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 555's 2003 records:

Local 555 failed to keep all documentation for expenses charged to the union's credit cards. It is necessary to keep all receipts, vouchers, and backup documentation for these charges along with the credit card statement in order to verify the purpose of the expense.

Local 555 was also unable to provide Verizon cellular phone bills which are currently sent to President Mark McCarthy's home address. These records need to be kept in the union office with the other union records. Joseph Verrette agreed to change to billing address from Mark McCarthy's home to the Union P.O. Box.

During the audit I found one instance of personal use of the union credit card. Although this error was reimbursed in full it is important to recognize the responsibility that goes along with holding a union

credit card. I strongly recommend that stricter controls are put on the union credit cards to ensure that no further personal use of union cards is made. It is very important that union cards be used for union business only.

As agreed, provided that Local 555 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,  
FCC  
FCC  
Investigator

cc:Mark McCarthy-President, George Hyland-Vice President