

U.S. Department of Labor

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February 9, 2011

Mr. Richard Levesque, President
Government Employees Local 1900
130 Eldridge Street
Taunton, MA 02780

LM File Number: 503-254

Case Number: [REDACTED]

Dear Mr. Levesque:

This office has recently completed an audit of Government Employees Local 1900 under the Compliance Audit Program (CAP) to determine the 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 4, 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 Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organizations must retain 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 Government Employees Local 1900's 2009 records revealed the following recordkeeping violations:

1. General and Officer and Employee Expenses

Local 1900 did not retain adequate documentation for expenses incurred by the union totaling at least \$4,543.73. For example, the local disbursed \$50 to President Richard Burns and \$35 to Treasurer John Hickey with no receipts or documentation as to the union purpose.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local 1900 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees in at least two instances totaling \$581.70. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 1900 did not retain any documentation to determine what part of the disbursements to officers was for lost time and what was for expenses.

During the exit interview, I provided a sample of an expense voucher Local 1900 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 1900 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (see Section 201(b) of the Labor-Management Reporting and Disclosure Act (LMRDA) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report LM-3 filed by Local 1900 for fiscal year ending December 31, 2009, was deficient in the following areas:

1. Disbursements to Officers

Local 1900 did not report lost wage disbursements to officers in Item 24 D (Gross Salary before taxes and other deductions). It appears the union erroneously reported these payments in Item 24 E (Allowances and Other Disbursements).

The union must report most direct disbursements to Local 1900 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

3. LM-3 Item 48 (Office & Administrative Expense)

Local 1900 did not accurately report their Office & Administrative Expense. The audit revealed the local paid \$329 and not the reported \$0 in Office & Administrative Expense during the audit year. It appears the local erroneously reported these fees in Item 49 (Professional Fees).

Local 1900 must file an amended Form LM-3 for fiscal year ending December 31, 2009 to correct the deficient items discussed above. I provided the local's officers a blank form and instruction during the exit interview. The amended LM-3 should be submitted to this office at the above address as soon as possible, but not later than March 1, 2011. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation:

Inadequate Bonding

Pursuant to 29 C.F.R. Section 458.35, officers and employees of any labor organization subject to the CSRA are required to be bonded in accordance with section 502(a) of the LMRDA. This provision requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year. Officers and employees of Local 1900 are currently bonded for \$5,000; however, they must be bonded for at least \$5,404. Local 1900 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding to this office as soon as possible, but not later than March 1, 2011.

Mr. Richard Levesque
February 9, 2011
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I want to extend my personal appreciation to Government Employees Local 1900 for the cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator