

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Boston District Office  
Room E-365  
JFK Federal Building  
Boston, MA 02203  
(617)624-6690 Fax: (617)624-6606



July 6, 2010

Mr. Richard Pelletier, President  
United Steelworkers  
Local 383  
715 Plum Tree Road  
Springfield, MA 01118

LM File Number: 049-392  
Case Number: [REDACTED]

Dear Mr. Pelletier:

This office has recently completed an audit of USW Local 383 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 Richard Pelletier, Larry Jackson, and Robert Amlaw on 06/30/10, 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 the following violations:

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 Local 381's 2008 records revealed the following recordkeeping violations:

1. Lost Wages

Local 383 did not retain adequate documentation for lost wage reimbursement payments to [REDACTED] and [REDACTED] totaling at least \$64.75. 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 383 retained check copies from bank statements and disbursement records in the check register, but did not include information about the date, number of hours lost, and applicable rate of pay for [REDACTED] and [REDACTED].

During the exit interview, I provided a sample of an expense voucher Local 383 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.

2. Failure to Record Receipts

Local 383 did not record the source and amounts of some employer dues checkoff checks and some checks received from Next Generation Canteen Company. For example, the local's receipt book grouped all receipts by month and did not identify specific amounts, dates received, and sources of income. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. General Reimbursed Expenses

Local 383 did not retain adequate documentation for reimbursed expenses incurred by Treasurer Larry Jackson totaling at least \$240. For example, no associated receipt was found for check # [REDACTED], dated 01/09/08, in the amount of \$240. This check was written

to Jackson for “gift cards for members”. Documentation in meeting minutes did indicate that gift cards were provided to members during raffles held at the union’s membership meetings, however, receipts confirming the veracity of this disbursement were not present in the union’s records.

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.

#### 4. Lack of Salary Authorization

Local 383 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 383 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations.

Local 383 did not file an LM-3 with OLMS for fiscal years ending 12/31/08 and 12/31/2009.

Local 383 must file a Form LM-3 for fiscal years ending 12/31/08 and 12/31/09, to correct the delinquency discussed above. I provided you with blank forms and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than 07/21/10. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

#### Other Issues

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The audit revealed that due to clerical errors by Treasurer Larry Jackson, salary overpayments were made during fiscal year ending 12/31/09 to President Richard Pelletier in the amount of \$620 and Vice President Joseph Nawracaj in the amount of \$426. Upon discovery of these overpayments, President Pelletier stated that he and Nawracaj would reimburse the union by taking an equivalent reduction in salary during fiscal year ending 12/31/10.

I want to extend my personal appreciation to USW Local 383 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,

Mark Letizi  
District Director

cc: Larry Jackson, Treasurer