



May 31, 2024

Mr. Robert Bennett, Financial Secretary
Machinists, AFL-CIO
Lodge 1726
830 Saratoga Street
East Boston, MA 02128

Case Number: 110-6027554()
LM Number: 048393

Dear Mr. Bennett:

This office has recently completed an audit of Machinists, Lodge 1726 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, President Michael Bucci, and Recording Secretary Nicholas Parker on May 28, 2024, 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.

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. The Labor Organization Annual Report (Form LM-3) filed by Lodge 1726 for the fiscal year ended December 31, 2023, was deficient in the following areas:

1. Reporting Lost Wage Payments

Lodge 1726 failed to report lost wage payments to non-officers totaling at least \$2,628 in Item 46 (To Employees). The union must report direct and indirect payments to officers and employees for lost wages on the form in Item 24 (To Officers) or Item 46. It appears the union erroneously reported these payments in 48 (Office and Administrative Expenses).

2. Per Capita Taxes

Lodge 1726 failed to report per capita taxes paid to Massachusetts AFL-CIO, Greater Boston Labor Council, and MA Council of Machinists totaling at least \$5,142 in Item 47 (Per Capita Tax). Per capita taxes are paid as a condition or requirement of affiliation with a parent national or international union, state and local central body, a conference, joint or system board, joint council, federation, or other labor organization, and must be reported in Item 47. It appears the union may have improperly reported per capita taxes in Item 48 (Office and Administrative Expenses).

3. Cash Figures

Lodge 1726 did not report the full amount of its cash assets in Item 25 (Cash) for the start and end of its fiscal year. It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 1726's books after reconciliation to the bank statements.

Balances should be obtained from the union's books as reconciled with balances shown on bank statements. This includes all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts.

4. One Signature on LM-3 Report

Financial Secretary Bennett signed the Form LM-3 Report as both the president and treasurer. The president and treasurer, or corresponding officers, are both required to sign the Form LM-3 Report and are personally responsible for its filing and accuracy.

I am not requiring that Lodge 1726 file an amended LM report for 2023 to correct the deficient items, but Lodge 1726 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Machinists, Lodge 1726 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: President Michael Bucci, Recording Secretary Nicholas Parker