

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



February 16, 2007

Mr. James Brown, Financial Sect. Treas.
Iron Workers AFL-CIO
Local 7
195 Old Colony Avenue
South Boston, MA 02127

Re: Case Number: [REDACTED]

Dear Mr. Brown: --

This office has recently completed an audit of Iron Workers Local 7 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 and [REDACTED], C.P.A. on January 19, 2007, 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 recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, invoice 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 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

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The CAP disclosed that Local 7 did not maintain sufficient records to validate all expenses. Specifically documents regarding officer trips and credit card expenses were not maintained. During the audit, documents were requested from all sources to validate the expenses without documentation. Records could not be obtained for all expenses, but the missing documents were not of sufficient amount or regularity to warrant additional action. The Local had previously taken steps to remedy this deficiency in the years after the audit year. The Local is currently requiring a more detailed expense procedure requiring all original receipts and a detailed voucher statement to be compensated for expenses.

I want to extend my personal appreciation to Iron Workers Local 7 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: Paul F. Lynch, President