

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
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June 15, 2006

Mr. Anthony DeFrancesco, Secretary-Treasurer
Boilermakers AFL-CIO
Lodge 237
297 Burnside Avenue
East Hartford, CT 06108

Re: Case Number: ~~XXXXXXXXXX~~

Dear Mr. DeFrancesco:

This office has recently completed an audit of Boilermakers Lodge 237 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 Anthony DeFrancesco on May 19, 2006, 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 that disbursements for the operation and maintenance of union automobiles were not properly reported. The LM-2 instructions provide two methods for reporting automobile related expenses. Direct and indirect disbursements for the operation and maintenance of union owned and leased vehicles and the operation and maintenance of vehicles owned by union personnel (including gasoline, repairs, and insurance) must be reported in Schedules 9 and 10. The expenses may be divided and reported in columns F and G based on mileage (supported by mileage logs) driven on union business compared with mileage in personal use. Alternatively, rather than allocating the expenses between columns F and G, if 50% or more of an officer's or employee's use of a vehicle was for official business, the union may report all of the expenses relative to the vehicle assigned to the officer or employee in column F of schedule 9 or 10 with an explanation in item 75 (Additional Information) that the vehicle was used part of the time for personal business. Similarly, if a vehicle assigned to an officer or employee was used less than 50% of the time for business, all of the expenses relative to that vehicle may be reported in Column G with an explanation in item 75 that the vehicle was used partly for official business.

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The CAP also disclosed that Local 237 failed to include some reimbursements to officers and employees in the amounts reported in Schedule 9 (All Officers and Disbursements to Officers) and Schedule 10 (Disbursements to Employees). Such payments appear to have been erroneously reported in Schedules 13 (Office and Administrative Expenses) and Schedule 15 (Other Expenses).

Direct disbursements to officers and employees for reimbursement of expenses incurred while conducting union business must be reported in Column F of Schedules 9 and 10 (Disbursements for Official Business). In addition, indirect disbursements made to another party (such as a credit card company) for business expenses incurred by union personnel must also be reported in Column F of Schedules 9 and 10.

I am not requiring that Local 237 file an amended LM-2 report for the fiscal year ending June 30, 2004 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to Boilermakers Lodge 237 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