

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
JFK Federal Building
Suite E-365
Boston, Massachusetts 02203
Telephone: (617) 624-6690



September 19, 2008

Winfred Dailey, Treasurer
Fire & Security Officers Association, UTC 1
357 Main Street
East Hartford, CT 06108

RE: International Compliance Audit Program (I-CAP)
Fire & Security Officers Association, UTC 1
LM File Number 519-443

Dear Treasurer Dailey:

The Office of Labor-Management Standards (OLMS) within the Department of Labor recently completed a compliance audit of the Fire & Security Officers Association, UTC 1 to assess its compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). The audit was conducted under the OLMS International Compliance Audit Program (I-CAP).

On September 19, 2008, the I-CAP Team conducted an exit interview with you. During the exit interview, we reviewed audit findings, identified actions that the Fire & Security Officers Association, UTC 1 must take to correct the deficiencies identified, and recommended actions to enhance the union's internal controls. This letter captures the audit's civil findings as generally discussed during the exit interview. It does not purport to be an exhaustive list of all possible problem areas, since the audit was limited both in scope and duration.

Reporting Deficiencies - LMRDA Section 201(b)

Section 201(b) of the LMRDA requires that labor organizations file with OLMS an annual financial report that accurately discloses the union's financial condition and operations. The following deficiency was noted on the Fire & Security Officers Association, UTC 1 Form LM-3 for the fiscal year ending January 31, 2008. The deficiency identified in this section must be corrected in an amended Form LM-3 for the fiscal year 2008 reporting period. Further, subsequent Form LM-3 filings must be prepared so as not to contain this deficiency.

1. The Fire & Security Officers Association, UTC 1 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. The union must report the names of all executive board members including the three (3) Local Presidents and two (2) representatives from each local.

Inadequate Recordkeeping - LMRDA Section 206

Pursuant to Section 206 of the LMRDA, every person required to file any report under LMRDA Title II shall maintain records on the matters reported that will provide in sufficient detail the necessary information from which the reports filed may be verified, explained, or clarified and checked for accuracy and completeness. All required records must be maintained for at least five years following the date the financial report is filed. Records over five years must be maintained if they are necessary to verify reports filed within the last five years, for example, to verify current financial activities of the union, such as meeting minutes that note approval for officer salary increases. There were instances noted during this audit where the Fire & Security Officers Association, UTC 1 did not comply with the recordkeeping requirements of Section 206. During the exit interview, you were informed that adequate records necessary to document all financial transactions, regardless of the amount, must be maintained for a minimum of five years.

2. The Fire & Security Officers Association, UTC 1 did not retain adequate documentation for all expenses incurred by its officers and employees. Labor organizations must retain original receipts, bills, and vouchers for all disbursements. In certain instances, receipts, bills, and vouchers were not retained for officer, employee lodging, and meal expenses.
3. The Fire & Security Officers Association, UTC 1 officers and employees, in most instances, did not submit itemized receipts for meal expenses. Itemized receipts provided by restaurants to officers and employees must be maintained by the union. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to fulfill the recordkeeping requirement in LMRDA Section 206.

Internal Controls

Adequate internal financial controls are essential to prevent the misuse of union funds and to support financial responsibility and other obligations under Title II and Title V of the LMRDA. Title V of the LMRDA stipulates, among other things, the fiduciary responsibility of officers of labor organizations. As a general rule, weaknesses in financial controls can lead to violations of Section 501 of the LMRDA.

4. The audit revealed that Fire & Security Officers Association, UTC 1 checks contain only one signature. In furtherance of internal controls and the fiduciary responsibility of the officers and to ensure that all union funds are being used solely for union purposes, the I-CAP Team recommends that at least two officers review and sign all union checks.

As discussed during the exit interview, the Fire & Security Officers Association, UTC 1 will submit, within thirty days from the date of this letter, an amended Form LM-3 for the fiscal year ending January 31, 2008 and a response letter to this closing letter. The response letter should identify the corrective actions implemented by the Fire & Security Officers Association, UTC 1 based on the results of this compliance audit. We will schedule an on-site follow-up in approximately six months to review corrective actions taken, to discuss the amended Form LM-3 filed, and to continue cooperative efforts to prevent and correct LMRDA deficiencies.

Please accept my appreciation for the cooperation and courtesy extended by you and your staff during this compliance audit. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Letizi", written over a horizontal line.

Mark Letizi, District Director
Boston District Office

cc: Donald Pitkin, President