



September 25, 2013

Mrs. Lori Sheasley, Financial Secretary
Glass Molders Plastics, AFL-CIO, Local 110
3849 Grant Road
Ridgway, PA 15853

Case Number: 150-10419 [REDACTED]
LM Number: 036876

Dear Mrs. Sheasley:

This office has recently completed an audit of Glass Molders Plastics Local 110 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 on September 20, 2013, 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.

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 110's 2012 records revealed the following recordkeeping violations:

1. Wages for Time Spent

Local 110 did not retain adequate documentation of wages paid to union officers for time spent working on union business that were paid to union officers on a monthly basis. Local 110 maintained a monthly voucher that documented the number of time spent hours each

officer claimed, but failed to identify the date these hours were incurred, the number of hours on each date, and a description of the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 110 may use to document lost time as well as time spent that will satisfy this recordkeeping requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages, time spent, and other officer expenses.

2. Cash Banquet Prizes

The audit revealed Local 110 gave away 40 prizes of \$25 cash to members at union banquets held during the audit year; however, they failed to maintain a record of the members that won the cash prizes. Local 110 must record somewhere in union records the members who won these banquet prizes.

Based on your assurance that Local 110 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. The Labor Organization Annual Report (Form LM-3) filed by Local 110 for the fiscal year ended October 31, 2012, was deficient in the following area:

Disbursements to Officers

Local 110 did not include some reimbursements to officers totaling at least \$2,000.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54, Other Disbursements.

The union must report most direct disbursements to Local 110 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 110 file an amended LM report for 2012 to correct the deficient items, but Local 110 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Glass Molders Plastics, AFL-CIO, Local 110 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: Mr. Anthony Modaffare, President