



December 31, 2014

Earl Starrett, Financial Secretary
UMWA Local 1604
247 S. 4th St.
Byesville, OH 43723

Case Number: 350-6002385
LM Number: 049416

Dear Earl Starrett:

This office has recently completed an audit of UMWA Local 1604 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 November 19, 2014, 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 Local 1604 for the fiscal year ended December 31, 2013, was deficient in the following areas:

1. Receipts

Receipts and deposits from direct pay dues were not recorded as receipts in the union record because these funds were transmitted to the international union by check soon after deposit. Receipts were therefore underreported by approximately \$2,100 on the LM-3 report.

2. Disbursements

Actual automatic bank debits tax payments were not recorded as disbursements. Instead, undisbursed tax obligations were reported in monthly expense figures and on the LM -3 report. This resulted in disbursements being underreported by approximately \$2,300.

I am not requiring that Local 1604 file an amended LM report for 2013 to correct the deficient items, but Local 1604 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. Consideration should be given to paying the bookkeeper from union funds instead of her being paid out of the financial secretary's personal funds. This would facilitate disclosure to the membership of the bookkeeper's role in the union's finances.
2. It is recommended that an inventory of union assets, such as Bibles and clothing, be periodically conducted and the results reported to the membership.

I want to extend my personal appreciation to UMWA Local 1604 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: David Hooper, President