



June 10, 2022

Mr. Marion M. Norrid, Business Manager
Insulators Local 21
11580 Reeder Rd
Dallas, TX 75229

Case Number: 420-6023337()
LM Number: 016832

Dear Mr. Norrid:

This office has recently completed an audit of Insulators Local (LU) 21 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 President Thomas Kleinmann on May 26, 2022, 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-2 filed by Insulators LU 21 for the fiscal year ended December 31, 2020, was deficient in the following areas:

1. Rental Receipts

Insulators LU 21 did not correctly report rental receipts. The audit revealed that LU 21 received \$1,729.60 for rent payments during the audit year. A total of \$1,409.00 was reported in Item 42 (Rents) on the LM-2 report. The union must properly report all rental receipts.

2. Disbursements to Officers and Employees

Insulators LU 21 did not include some reimbursements for travel to Business Manager Marion Norrid and President Thomas Kleinmann totaling at least \$691.71 in Schedule 11 (All Officers and Disbursements to Officers). Insulators LU 21 also overreported salary disbursements to Office Secretary [REDACTED] totaling \$80.00 in Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 18.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

3. Professional Fees

Insulators LU 21 over reported professional fees by \$720.00 in Schedule 18. The union reported \$8,640.00; however, the union only paid \$7,920.00 in 2020. A check included on the 2020 report was written on February 1, 2021 and cleared in 2021. The union must properly report all disbursements.

4. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Insulators LU 21 amended its constitution and bylaws in 2019, but did not file a copy with its LM report for that year.

Insulators LU 21 has now filed a copy of its constitution and bylaws.

Insulators LU 21 must file an amended Form LM-2 for the fiscal year ended December 31, 2020, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-2 must be filed no later than June 27, 2022.

Other Issue

The annual audit report, which is presented at the membership meetings, did not include account [REDACTED]. Insulators LU 21 must report accounts on all audit reports.

I want to extend my personal appreciation to Insulators LU 21 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,

[REDACTED]

Investigator

cc: Mr. Thomas Kleinmann, President
Mr. George Daley, Vice President
Mr. Fabian Alarcon, Sergeant at Arms

[REDACTED]

Mr. Ramon Ruiz, Executive Board

[REDACTED]

Mr. Rusty Reese, Executive Board

[REDACTED]