



November 18, 2022

Mr. Ty Smith, President
Christian Labor Union, Independent
Local 10

Case Number: 320-6022815()
LM Number: 013126

Dear Mr. Smith:

This office has recently completed an audit of Christian Labor Union (CLU) Local 10 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 CLU International President Joni Tulenchik on November 9, 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-3 filed by Local 10 for the fiscal year ended December 31, 2020, was deficient in the following areas:

1. Signatures

The audit revealed that Ms. Tulenchik and CLU International Treasurer Katie Goenner signed the report in Items 57 and 58 (Signatures), respectively; however, Local 10 had active officers and was not under trusteeship by the CLU at the time the report was filed. The LM-3 instructions require the report be signed by both the president and treasurer, or corresponding principal officers, of the labor organization. If the report is signed by an officer other than the president or treasurer, the union must enter the correct title next to the signature and explain in Item 56 (Additional Information) why the president and treasurer did not sign the report. Although the international may assist local officers in the preparation of LM reports, there is no exception permitting international officers to sign reports for local unions unless the local has been placed in trusteeship or terminated.

2. Disbursements to Officers

The audit revealed that Local 10 did not report disbursements it made to former President [REDACTED] and Secretary/Treasurer John Hams totaling at least \$89 in the amounts reported in Item 24, Column D (Gross Salary). During the audit year, Local 10 reimbursed each member one month's dues (\$44.50 per member) as a holiday bonus; however, the union failed to report the bonus payments it made [REDACTED] and Mr. Hams in Column D of Item 24. It appears the union erroneously reported these payments in Item 50 (Benefits).

The union must report most direct disbursements to Local 10 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).

3. Statement B (Total Receipts and Total Disbursements)

Local 10 had total receipts of \$191,458 recorded in its receipts records after reconciliation to the bank statements during the audit year. However, Local 10 reported total receipts of \$158,316 in Item 44 (Total Receipts) of Statement B.

At the exit interview, Ms. Tulenchik advised that she didn't know what caused this discrepancy and that she would have the union's accountant look into it. The union must report the total amount of all receipts it received during the reporting period in Item 44. The amount in Item 44 is calculated by adding Items 38 (Dues) through 43 (Other Receipts) and should include all dues, fees, fines, assessments, interest, dividends, rent, money from the sale of assets, loans received by the union, and all other receipts received by the union.

Additionally, Local 10 had disbursements of \$214,609 recorded in its disbursements records during the audit year. However, Local 10 reported total disbursements of \$170,443 in Item 55 (Total Disbursements) of Statement B.

At the exit interview, Ms. Tulenchik advised that she didn't know what caused this discrepancy either and that she would have the union's accountant look into it, as well. The union must report the total amount of all disbursements it made during the reporting period in Item 55. The amount in Item 55 is calculated by adding Items 45 (Disbursements to Officers) through 54 (Other Disbursements) and should include, for example, net payments to officers and employees; per capita tax and any other fees or assessments which

the union paid to any other labor organization; payments for office administrative expenses; loans made by the union; taxes paid by the union; contributions, gifts and grants made by the union; and purchases of investments and fixed assets.

I am not requiring that Local 10 file an amended LM report for 2020 to correct the deficient items, but Local 10 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Christian Labor Union Local 10 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,



Senior Investigator

cc: Ms. Joni Tulenchik, International President