



February 21, 2023

Vince Casey, Secretary-Treasurer  
Laborers Local 1392  
827 Old Hartford Road  
Owensboro, KY 42303-1327

Case Number: 350-6025502( )  
LM Number: 017-809

Dear Mr. Casey:

This office has recently completed an audit of Laborers Local 1392 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 Office Manager Shena Link on January 13, 2023, 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 1392's 2021 records revealed the following recordkeeping violations:

1. Union Owned/Leased Vehicles

The union did not maintain records necessary to verify the accuracy of the information reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2. Local 1392 did not maintain records documenting business versus personal use of union vehicles.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedule 11 and 12 of the LM-2, allocated to the officer or employee to whom each vehicle is assigned.

For each trip they take using a union owned or leased vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

## 2. Deposition of Property

Local 1392 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

## 3. Disbursements Improperly Recorded

Entries in Laborers Local 1392's disbursement records were sometimes improperly recorded. Local 1392 had five entries that were recorded improperly in the disbursement records. For example, check [REDACTED] for \$141.99 for Packages Plus was recorded as check [REDACTED] in disbursement records. Union disbursement records must include adequate identification of all money the union pays out. The records should show the date and amount paid, and the source of the money.

## 4. Vacation Pay

Local 1392 did not maintain a record of vacation time for officers and employees. The union must keep record of the amount of vacation time accumulated throughout the fiscal year, the amount of vacation time used during the fiscal year, and the amount of vacation time paid out at the end of the fiscal year.

Based on your assurance that Local 1392 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-2) filed by Local 1392 for the fiscal year ended December 31, 2021, was deficient in the following areas:

#### 1. Disbursements to Officers and Employees

Local 1392 did not include some salary payments, allowances, and reimbursements to officers and employees totaling at least \$22,320 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported many of these payments in Schedule 11, Column F, next to Secretary-Treasurer Vince Casey's name. The gross salary of each officer or employee should be entered in Column D; include disbursements for lost time or time devoted to union activities.

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.

I am not requiring that Local 1392 file an amended LM report for 2021 to correct the deficient items, but Local 1392 has agreed to properly report the deficient items on all future reports it files with OLMS.

### Other Issues

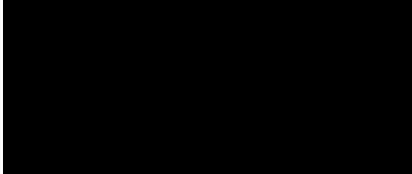
#### 1. Lost Time, Vacation, and Automobile Policies

As discussed during the exit interview with you, the audit revealed that Local 1392 does not have a clear policy regarding lost time, vacation, and automobiles. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Laborers Local 1392 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: [REDACTED], President