



January 18, 2023

Soledad Velasquez, Business Manager  
Roofers Local 91  
2261 South Redwood Rd.  
Suite N  
Salt Lake City, UT 84119

Case Number: 510-6025329( )  
LM Number: 031927

Dear Soledad Velasquez:

This office has recently completed an audit of Roofers Local 91 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 October 28, 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.

#### 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 91's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 91 did not retain adequate documentation for reimbursed expenses incurred by Rob Smith totaling at least \$250.00 and Soledad Velasquez totaling at least \$120.90. For example, Local 91 had no supporting documentation to support, clarify, or explain two

transactions for Rob Smith, both listed as “organizing expenses.” Additionally Local 91 failed to retain receipts related to both transactions incurred by Velasquez for “postage.”

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union’s LM report, are responsible for properly maintaining union records.

## 2. Disposition of Property

Local 91 did not maintain an inventory of property it purchased, sold, or gave away, including gift cards given away at membership meetings. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 (Other Assets) 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.

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. Information not Recorded in Meeting Minutes

During the audit, Velasquez advised OLMS that membership authorized two end-of-year bonuses for Rob Smith for \$2,000 and Soledad Velasquez for \$1,500, at a membership meeting, as well as a \$500 disbursement to Rob Smith for maintenance of his personal vehicle. Section 5(b) of the local’s constitution and bylaws requires that all disbursements, aside from regular bills, be authorized by the membership. However, the meeting minutes for 2021 do not contain any reference to those disbursements. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 91 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violation

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 91 for the fiscal year ended December 31, 2021, was deficient in that:

#### 1. Reporting of Disbursements

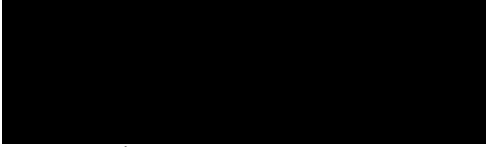
Local 91 erroneously reported approximately \$40,000 in disbursements under Item 55 “Benefits” instead of Item 56 “Per Capita Tax” on its LM-2 report for FY 2020. All per capita tax payments should be reported under Item 56.

Local 91 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](http://www.olms.dol.gov). The

amended Form LM-2 must be filed no later than February 2, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Roofers Local 91 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