

U.S. Department of Labor

Office of Labor-Management Standards
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May 10, 2023

Mr. Rick Edwards, Secretary/Treasurer
Sheet Metal, Air, Rail, and Transportation Workers
Local 756-TD
2100 Pearl Harvest
San Antonio, TX 78250

Case Number: 420-6026028()
LM Number: 014386

Dear Mr. Edwards:

This office has recently completed an audit of Sheet Metal, Air, Rail and Transportation Workers, Local 756-TD 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 Roland Barcena on May 9, 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 756-TD's 2022 records revealed the following recordkeeping violation:

Meal Expenses

Local 756-TD's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges totaling at least \$372.74. For example, officers failed to include the names and titles of the individuals incurring the restaurant charges on at least two meal receipts. In addition, one receipt did not identify the name of the restaurant where the individuals incurred meal expenses or a identify the union purpose. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

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.

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 756-TD for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Additional Positions of Officers

Item 16 (Have any officer who was paid \$10,000 or more by your organization and also received \$10,000 or more as an officer or employee of another labor organization or of an employee benefit plan?) was incorrectly answered, "Yes," when the officers listed in Item 56 (Additional Information) did not receive compensation from another labor organization or employee benefit plan. The union must mark Item 16 "Yes" only if an officer of your organization was paid \$10,000 or more in salary, wages, and allowances by your organization and was paid \$10,000 or more in salary, wages, and allowances as an officer or employee of another labor organization or of an employee benefit plan. In calculating whether an officer was paid \$10,000 or more, include allowances paid on a daily, weekly, monthly, or other periodic basis. Do not include allowances paid on the basis of mileage or meals or amounts officers received as reimbursed expenses. If Item 16 is answered "Yes," provide in Item 56 (Additional Information) the name of each officer, the name of the other labor organization(s) or employee benefit plan(s), and the officer's position in the other labor organization(s) or employee benefit plan(s).

2. Fidelity Bond

Local 756-TD erroneously entered the maximum amount recoverable for a loss caused by any officer, employee, or agent of your organization who handled your organization's funds as \$75,000, but it is only covered by a fidelity bond amount of \$50,000.

Mr. Rick Edwards

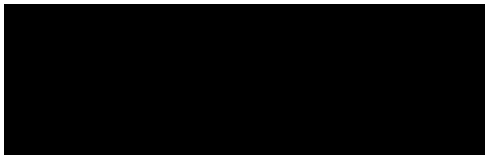
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I am not requiring that Local 756-TD file an amended LM report for 2022 to correct the deficient items, but Local 756-TD has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Sheet Metal, Air, Rail and Transportation Workers, Local 756-TD 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: Mr. Roland Barcena, President