



August 15, 2023

Mr. William Casey Mann, Treasurer
Boilermakers AFL-CIO
Cement Workers Lodge 414
7701 East 495 Road
Salina, OK 74395

Case Number: 420-6026077()
LM Number: 057549

Dear Mr. Mann:

This office has recently completed an audit of Boilermakers Local Lodge 414 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 Stephen Newby on August 15, 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 Lodge 414's 2022 records revealed the following recordkeeping violations:

1. Contributions, Gifts, and Grants

Lodge 414 did not maintain supporting documentation of the purchase of union logo hoodies given to the membership totaling \$5,799.75 or the distribution of them, a donation of \$5,000.00 to the Lodge 146 CESSO for financial assistance during a lockout, and for three \$500.00 disbursements made for retiring members. The union must maintain supporting documentation of authorization for the purchases, purchase receipts, or confirmation of the distribution of them.

2. Lack of Salary Authorization

Lodge 414 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were authorized for certain officers, the authorized amount, and correctly reported. During the audit period, Lodge 414 paid salaries to officers who served in a position not authorized to receive a salary, and overpaid the authorized officers by \$3.43 per month.

The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

3. General Reimbursed Expenses

Lodge 414 did not retain adequate documentation for reimbursed expenses incurred by Former President Jake Miller totaling at least \$76.63. For example, check numbers [REDACTED] and [REDACTED] were written to Miller with no information other than "Reimbursement" listed in the check memo.

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.

4. Lost Wages

Lodge 414 did not retain any documentation for lost wage payments to Former President Jake Miller totaling at least \$505.56. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Lodge 414 may use to satisfy this requirement. The sample identifies the type of information and documentation that the lodge must maintain for lost wages and other officer expenses.

Based on your assurance that Lodge 414 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-3 filed by Lodge 414 for the fiscal year ended June 30, 2022, was deficient in the following areas:

1. Disbursements

Lodge 414 inaccurately reported \$0.00 in Item 48 (Office and Administrative Expenses). The accurate amount for Item 48 is \$300.00 for the rental of a meeting hall. The lodge also inaccurately reported \$51,289.00 in Item 47 (Per Capita Tax). The accurate amount is \$51,444.47.

2. Gross Salary

Lodge 414 reported inaccurate amounts paid to officers in Item 24 (All Officers and Disbursements to Officers). All disbursements were listed under Item 24, Section E (Allowances and Other Disbursements). The bylaws states, in part, that the lodge will provide an allowance to the secretary-treasurer and recording secretary as partial compensation for expenses incurred. Therefore, the union was treating allowance payments as a salary for being officers. The Lodge failed to report a total of \$2,376.82 in Item 24, Section D (Gross Salary). Correct amounts for each officer are \$103.34 for Former President Jacob Miller, \$516.70 for Former Secretary Treasurer Charles Ermel, \$413.36 for Former President Nathan McCammon, \$258.35 for Former Recording Secretary Clayton Smith, \$465.03 for Former Vice President Jeffery Scrapper, \$206.68 for Former Secretary Treasurer Dustin Ingel, \$206.68 for Larry Hooper, and \$206.68 for Stephen Newby.

3. Disbursements to Officers

Lodge 414 reported inaccurate amounts reimbursed to officers for the purchase of office supplies in Item 24, Column E (Allowances and Other Disbursements) on the LM-3. The accurate amounts should have been \$555.84 for Former President Jake Miller, \$86.80 for Former Treasurer Charles Ermel, and \$60.19 for Former Treasurer Larry Hooper.

The union must report most direct disbursements to Lodge 414 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).

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. Lodge 414 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year.

As agreed, Lodge 414 will file a copy of its current constitution and bylaws with OLMS when it files the 2022 amended report.

Lodge 414 must file an amended Form LM-3 for the fiscal year ended June 30, 2022, 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-3 must be filed no later than August 28, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Boilermakers Lodge 414 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: Mr. Stephen Newby, President