

**U.S. Department of Labor**

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July 26, 2023

Ms. Donna Elliott, Treasurer  
Stage and Picture Operators (IATSE)  
Local 772  
6280 Ford Drive #3  
Indian Head, MD 20640

Case Number: 450-6024869( )  
LM Number: 029-709

Dear Ms. Elliott:

This office has recently completed an audit of International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists, and Allied Crafts of the United States (IATSE) Local 772 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, President Natalia Jordan, and Secretary Ann Carr on July 17, 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 IATSE Local 772's 2021 records revealed the following recordkeeping violations:

1. General Expenses

Local 772 did not retain adequate documentation for some disbursements made by the union. For example, the union did not retain receipts for disbursements to AT&T, United States Treasury, and Sarfino & Rhoades.

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. Information Not Recorded in Meeting Minutes

During the audit, Local 772's officers advised OLMS that the membership authorized union expenditures over \$500 at their membership meetings. However, the meeting minutes do not contain details or authorization for a GoFundMe account that generated a check to be disbursed over the \$500 threshold. Local 772's officers explained that the GoFundMe account was used to raise funds for the family of a deceased Local 772 member. The union's records did not include information pertaining to administration of the GoFundMe account or the authorization to issue a payment to the deceased member's family. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. Lack of Salary Authorization

Local 772 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. Local 772 officers advised OLMS that all officers were paid a salary based on a percentage of the local's total monthly dues collected. The union must keep a record, such as meeting minutes or dues deduction reports, to show the current salary amount authorized by the entity or individual in the union with the authority to establish salaries.

4. Insufficient Disbursement Descriptions

There were some disbursements in which the union business purpose was not sufficiently descriptive in the union's records. Some examples of inadequate disbursement descriptions were "mileage," "sent 7/9," and "postage." Union disbursement records must include a description of the nature of the union business requiring the disbursement.

Based on your assurance that Local 772 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

Signing Blank Checks

During the audit, you were advised that President Jordan signs blank checks. The two-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two-signature requirement. OLMS recommends that Local 772 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to IATSE Local 772 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,



Program Compliance Specialist

cc: Ms. Natalia Jordan, President  
Ms. Ann Carr, Treasurer