



December 13, 2023

Mr. Tim May, Business Agent
Plumbers AFL-CIO, Local 372
9410 Hwy 82 E
Duncanville, AL 35456

Case Number: 410-6027651()
LM Number: 038819

Dear Mr. May:

This office has recently completed an audit of Plumbers AFL-CIO, Local 372 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 Scott Avery, Office Manager Ashley Kreider, and Executive Board Member Seth Russell on December 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 Plumbers Local 372's 2022 and 2023 records revealed the following recordkeeping violations:

1. Meal Expenses

Plumbers Local 372 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$440.02. The union must maintain itemized receipts

provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 372 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. For example, a meal at the Fisherman's Wharf in Hot Springs, AR in the amount of \$170.45 on September 14, 2022, did not have the names of attendees or the nature of union business discussed. 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.

2. Meeting Minutes

During the audit, Business Agent May advised OLMS that the membership authorized a \$2,000.00 payment to the Tuscaloosa County Alabama Fraternal Order of Police (Shop with a Cop) in October 2022. The payment was a donation/gift for the holidays. The actual check written and donated however was for \$2,500.00 in contradiction to the meeting minutes. Minutes of all membership or executive board meetings must report any disbursements not authorized elsewhere in union files or documents.

Based on your assurance that Plumbers Local 372 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 372 for the fiscal year ended June 30, 2023, was deficient in the following areas:

1. Disbursements to Officers

Local 372 did not include payments to officers and employees totaling at least \$2,427.40 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

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.

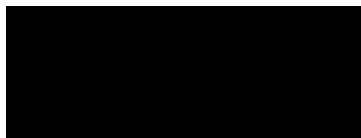
2. PAC Funds

Item 11 (LM-2) (During the reporting period did your organization have a political action committee (PAC) fund?) was incorrectly answered, "No." Local 372 had its own PAC fund during 2023. As stated in the LM-2 report instructions, PAC funds kept separate from your union's treasury need not be included in your union's LM report if publicly available reports on the PAC funds are filed with a federal or state agency. However, the audit revealed that Local 372's PAC funds were deposited to its general treasury and kept on deposit in a dedicated PAC account. Therefore, the financial activities of the PAC fund must be included in Local 372's LM report.

I am not requiring that Local 372 file an amended LM report for 2023 to correct the deficient items, but Local 372 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Plumbers Local 372 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. Scott Avery, President