

U.S. Department of Labor

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May 28, 2009

Mr. Dennis Marshall Jr.
Financial Secretary-Treasurer
Roofers AFL- CIO
Local 2
2920 Locust
St. Louis, MO 63103

LM File Number 019-548

Case Number: [REDACTED]

Dear Mr. Marshall:

This office has recently completed an audit of Roofers Local 2 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 May 7, 2009, 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 2's 2008 records revealed the following recordkeeping violations:

Union Owned/Leased Vehicles

The union did not maintain records necessary to verify the accuracy of the information reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2.

Local 2 incurred automobile expenses during 2008. However, Local 2 did not maintain records documenting business versus personal use of the union vehicles.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedule 11 of the LM-2, allocated to the officer to whom each vehicle is assigned.

For each trip they take using a union owned or leased vehicle, officers must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

Based on your assurance that Local 2 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 2 for fiscal year ending December 31, 2008 was deficient in that expenses incurred by officers using the union's credit card were not reported properly.

Disbursements to Officers and Employees

Local 2 did not include some reimbursements to officers and employees 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 also 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. 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.

During this CAP, it was found that charges incurred by officers and employees on the local's credit card for such things as gasoline and meals were not being allocated to the individual. These types of indirect disbursements must be reported on Schedules 11 and 12 of the LM-2.

I am not requiring that Local 2 file an amended LM report for 2008 to correct the deficient items, but Local 2 has agreed to properly report these expenses on all future reports it files with OLMS.

I want to extend my personal appreciation to Roofers Local 2 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

Mr. Dennis Marshall Jr.
May 28, 2009
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cc: Dan O'Donnell, Business Manager/President

