



August 13, 2012

Mr. Dennis Powell, President
Graphic Communications
IBT Local Union 367-M
P.O. Box 35905
Dallas, TX 75235

Case Number: [REDACTED]
LM Number: 041-284

Dear Mr. Powell:

This office has recently completed an audit of Graphic Communications IBT Local 367-M 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 Secretary Treasurer David Almanza on August 13, 2012, 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.

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 IBT Local 367-M for fiscal year ending December 31, 2011, was deficient in the following areas:

1. Your labor organization failed to complete the following items:
 - The number of members your organization had at the end of the reporting period.
 - The maximum amount recoverable under your organization's fidelity bond for a loss caused by any officer or employee of your organization.
 - The status of any changes to your organization's constitution and bylaws (other than rates of dues and fees) or in practices/procedures.
 - The date of your organization's next regular election of officers.
 - Your organization's rate of dues and fees.
 - An amount or zero in applicable areas on page 4 line items 25-55.

2. Failure to Properly Categorize Expenses

IBT Local 367-M failed to properly categorize all expenses in that the CPA only reported \$14,666 under line item 55 (Total Disbursements). The audit revealed that your labor organization had total disbursements of \$15,871. The CPA only reported \$193 under line item 48 (Office and Administrative Expenses). The audit revealed that your labor organization had Office and Administrative Expenses totaling \$480. The CPA reported \$2,225 under line item 49 (Professional Fees). The audit revealed that your labor organization had Professional Fees totaling \$1,200, the \$1,025 should have been reported under line item 54 (Other Disbursements).

Graphic Communications IBT Local 367-M was required and has filed an amended Form LM-3 for the fiscal year ended December 31, 2011, correcting the deficient items discussed above. Therefore, no further action will be taken regarding the above-cited violations.

I want to extend my personal appreciation to Graphic Communications 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. David Almanza, Secretary Treasurer
Mr. Tim Blakely, Vice President