

U.S. Department of Labor

Office of Labor-Management Standards
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July 9, 2013

Mr. Rich Gyorkos, Financial Secretary
Mine Workers Local2295
200 South Payton Drive
Okawville, IL 62271

Case Number: 550-11716 [REDACTED]
LM Number: 515885

Dear Mr. Gyorkos:

This office has recently completed an audit of Mine Workers Local 2295 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 July 3, 2013, 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 Violation

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 2295's 2012 records revealed the following recordkeeping violation:

Disposition of Property

Local2295 did not maintain an inventory of hats it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of

property on hand to verify, clarify, and explain the information that must be reported in Item 28 / Item 30.

The union must record in at least one record the date and amount received from each sale of union hats and any other union items.

Based on your assurance that Local2295 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Check to Cash

During the audit it was discovered that a \$400 cash withdrawal was made and the cash was used for awards at the annual party. No backup documentation was retained that identified the award winners or the amounts of the awards; therefore, it was not possible to verify that all of the \$400 was used for a union purpose. OLMS recommends that Local2295 review these recordkeeping procedures to improve internal control of union funds.

I want to extend my personal appreciation to Mine Workers Local2295 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. George Coleman, President