U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 27, 2007

Mr. Virgil Boone, Business Manager
Plumbers LU 152
100 Richard Avenue
Morgantown, WV 26501

LM File Number 018-594
Case Number: [redacted]

Dear Mr. Boone:

This office has recently completed an audit of Plumbers LU 152 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 [redacted], Office Secretary, on April 26, 2007, 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.

The CAP disclosed a violation of LMRDA Section 201(a) which requires that a union submit a copy of its revised constitution and bylaws with its LM report when constitution or bylaw changes are made. Local 152 amended its constitution and bylaws in 2005, but a copy was not filed with its LM report for that year.

A copy of Local 152's constitution and bylaws has now been filed. As discussed, any future bylaw changes will be electronically filed with the LM-2 report.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 152's 2006 records revealed the following recordkeeping violations:

Local 152 failed to include some reimbursements to officers in Schedule 11 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in Schedules 15 through 19.

Direct disbursements to officers for reimbursement of expenses incurred while conducting union business must be reported in Column F of Schedule 11 (Disbursements for Official Business). In addition, indirect disbursements made to another party (such as a credit card company) for business expenses incurred by union personnel must also be reported in Column F of Schedule 11. However, indirect disbursements for business expenses incurred for transportation by public carrier (such as an airline) and for temporary lodging expenses incurred while traveling on union business must be reported in Schedules 15 through 19. Any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business must be reported in Column G (Other Disbursements) of Schedule 11.

I am not requiring that Local 152 file an amended LM report for 2006 to correct the deficient items, but as agreed, Local 152 will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to Plumbers LU 152 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,

[redacted]
Investigator

cc: James Rowan, Financial Secretary/Treasurer, with compliance assistance seminar schedule