

U.S. Department of Labor

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January 5, 2009

Mr. Edward Patterson, Secretary/Treasurer
BLET Ohio State Legislative Board
8568 Mt. Vernon Road
St. Louisville, Ohio 43071

LM File Number 011-819
Case Number: [REDACTED]

Dear Mr. Patterson:

This office has recently completed an audit of BLET Ohio State Legislative Board 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 Accountant Theresa Nadolson and you on December 12, 2008, 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 the Ohio State Legislative Board for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Required Annual Report

The Ohio State Legislative Board filed Labor Organization Annual Report Form (LM-3) for its fiscal year ended December 31, 2007. In Item 44 (Total Receipts), the Ohio State Legislative Board reported \$225,367. However, the audit revealed that the Ohio State Legislative Board's receipts that year totaled \$255,183. Every labor organization subject to the LMRDA with total annual receipts of \$250,000 or more must file Form LM-2. The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source. Therefore, it will be necessary for the Ohio State Legislative Board to file an LM-2 for fiscal year ended December 31, 2007. I explained to you the filing procedures and the availability of filing software on the OLMS website (www.olms.dol.gov). The Form LM-2 must be electronically filed as soon as possible, but not later than January 31, 2009. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

2. Failure to File Bylaws

The audit 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 it makes changes to its constitution or bylaws. The Ohio State Legislative Board amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year.

The Ohio State Legislative Board has now filed a copy of its constitution and bylaws.

Other Violations

Loans

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The audit revealed a violation of LMRDA Section 503(a) which prohibits labor organization from making direct or indirect loans to any officer or employee of the labor organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of \$2,000 at any time. By electronic payment on September 1, 2007, the Ohio State Legislative Board advanced office allowance payments totaling \$2,804.44 to Chairman Tim Hanely.

As stated in the LM-2 report instructions, advances, including salary advances, are considered loans and must be reported in Schedule 2 (Loans Receivable).

On December 18, 2008, Chairman Hanely deposited a cashier's check in the amount of \$804.44 into the union's checking account to meet the statutory provisions of the LMRDA.

I want to extend my personal appreciation to BLET Ohio State Legislative Board 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,



Lead Investigator

cc: Tim Hanely, Chairman