

U.S. Department of Labor

Office of Labor-Management Standards
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September 20, 2010

Mr. David Zeglin, Secretary Treasurer
Graphic Communications, IBT, Local Union 188-C
154 Richland Avenue
Windber, PA 15963-1031

Case Number: [REDACTED]
LM Number: 046447

Dear Mr. Zeglin:

This office has recently completed an audit of Graphic Communications, Local Union 188- C 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 President Donald Gibson on September 17, 2010, 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.

Recordingkeeping 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 Union 188-C's 2009 records revealed the following recordkeeping violations:

1. Failure to Record Receipts
Local Union 188-C did not record in its receipts records member dues received from individual union members. For example, the union did not identify the name of the

members making payments in union records, rather, the check or money order was recorded on the deposit slip with no reference to the member making the payment. There were no union records available to determine which member made the payments that were deposited into the union's bank account. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

2. Receipt Dates not Recorded

Entries in Local Union 188-C's general ledger reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Item 16 of the LM-4 Report. Labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

During the exit interview, you were provided with examples of how to correctly record receipts in union records.

Reporting Violation

Failure to File an LM Report

The audit disclosed a violation of 201 (b) which requires the union file a financial report, for each year within 90 days after the end of the organization's fiscal year (12-month reporting period). The audit revealed Local Union 188-C was delinquent in filing its LM-4 Report for the fiscal years ending 12/31/2008 and 12/31/2009. Local Union 188-C has now filed its delinquent reports.

Based on your assurance that Local Union 188-C will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Graphic Communications, IBT, Local Union 188 C 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. Donald Gibson, President

Mr. Christopher Lange, President, Local Union 24M