



2. Disbursements to Officers

Employees Federation Of ExxonMobil Central Division Tyler Area incorrectly reported reimbursements to its officers totaling \$5,685. It appears the union erroneously reported these payments in Item 54 Other Disbursements.

The union must report most direct disbursements to Employees Federation Of ExxonMobil Central Division Area officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

3. Professional Fees

Employees Federation of ExxonMobil Central Division Tyler Area incorrectly reported professional fees totaling \$2,200. It appears the union erroneously reported the disbursement in Item 54 Other Disbursements instead of Item 49 Professional Fees.

Employees Federation Of ExxonMobil Central Division Tyler Area provided OLMS an amended Form LM-3 for the fiscal year ended June 30, 2010, correcting the above-cited deficiencies at the conclusion of the exit interview conducted July 28, 2011. As a result, OLMS will take no further enforcement action regarding this issue.

Other Violations

The audit disclosed the following other violation(s):

Inadequate Bonding

The audit revealed that Employees Federation of ExxonMobil Central Division Tyler Area officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

Other Issues

Signing Blank Checks

During the audit, you advised that you signs blank checks. Your union's policy requires that all checks be signed by any two of the four financial officers. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Employees Federation of ExxonMobil Central Division Tyler Area review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Employees Federation Of ExxonMobil Central Division Tyler Area Local 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,

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Investigator

cc: Mr. Darrell Shumate, Mr. John Chapa, Mr. Tim Jumper