



December 21, 2012

Mr. Brian Gillespie, President
NAGE Local 14-149
PO Box 104
Ft. Leonard Wood, MO 65473-0104

Case Number: [REDACTED]
LM Number: 515050

Dear Mr. Gillespie:

This office has recently completed an audit of NAGE Local 14-149 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 Treasurer Elia Griffith on November 13, 2012, 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 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 14-149's 2011 records revealed the following recordkeeping violation:

Failure to Retain Bank Records

Local 14-149 did not retain bank statements for its checking account. The LMRDA requires the union to maintain adequate records to verify, clarify, and explain each receipt and disbursement of funds, as well as all account balances. These records must be maintained for five years. The bank statements help verify and explain the union's receipts, disbursements, and account balances.

Based on your assurance that Local 14-149 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 Local 14-149 for the fiscal year ended August 31, 2011, was deficient in that:

Incomplete Report

The LM-3 Form submitted by the union for the fiscal year ended August 31, 2011, was incomplete in that the union did not enter zeros or numbers in most of the items. To provide accurate information regarding the union's financial condition and operation during the fiscal year, the LM report must be properly completed.

During the audit Local 14-149 filed an amended LM report for 2011 to correct the deficient items. In addition, Local 14-149 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 14-149's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 14-149 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.

I want to extend my personal appreciation to NAGE Local 14-149 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: Ms. Elia Griffith, Treasurer