



May 26, 2015

Mr. John K. Hayes, Business Manager
Roofers Local 75
6550 Poe Avenue
Dayton, OH 45414

Case Number: 350-6002927()
LM Number: 030572

Dear Mr. Hayes:

This office has recently completed an audit of Roofers Local 75 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 on March 30, 2015, 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 75's 2013 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 75 did not retain adequate documentation for credit card expenses incurred by Business Manager John Hayes totaling at least \$4,086.02. For example, the local is missing vendor receipts for 20 credit card purchases during the audit year.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Local 75 did not maintain an itemized receipt for a meal expense totaling \$61.35. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 75 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, there is a receipt missing for a meal at Buffalo Wild Wings on March 21, 2013, in Englewood, Ohio. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Reimbursed Auto Expenses

Business Manager John Hayes who received reimbursement for business use of his personal vehicle did not retain adequate documentation to support payments to him totaling at least \$542.46 during 2013. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses. These expenditures are not considered an allowance because the officer is not receiving a \$100.00 allowance check. The officer is filling up his personal automobile with two different credit cards and at times this amount exceeds \$100 per week.

4. Other

Local 75 did not record in its records its Share Savings Account and its Mutual Funds Accounts. Bank interest earned on the savings account is \$3.63 before this account was closed on April 1, 2013 and all monies transferred to its checking account. The mutual funds account contained \$153,141.88 at the beginning of the audit year and debits totaled \$11,184.83 (transferred to the checking account) leaving a balance of \$141,957.05. Local union records must include an adequate identification of all accounts the union controls.

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Based on your assurance that Local 75 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 Roofers Local 75 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator

cc: Mr. Charles Allen, President