



May 18, 2016

Ms. Cheryl Anderson, President
Bellwood Printing Pressmen Local 670-C, IBT
184 E Belt Blvd
Richmond, VA 23224

Case Number: 450-6007153
LM Number: 030509

Dear Ms. Anderson:

This office has recently completed an audit of Bellwood Printing Pressmen Local 670-C, IBT 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, Secretary-Treasurer Deloris Harris, Office Manager Evelyn Brooks on May 17, 2016, 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.

Record Keeping 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 670-C's 2014 records revealed the following recordkeeping violations:

Local 670-C did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Evelyn Brooks totaling at least \$418. The vouchers state that the payments were for office supplies and postage. The credit card statements were not attached to the

vouchers. Only receipts were attached to the voucher. A review of the records revealed that Brooks used her personal American Express card to purchase the union supplies. A review of the receipts confirmed that office supplies and postage were purchased. The total amount in the receipts match the amount claimed on the voucher. However, the review of the receipts revealed that some of the purchases were not made with the American Express. Some were with cash and some were with a debit card.

During the exit interview, I provided a compliance tip sheet, *Union Credit Card Policy*, which may be used to help Local 670-C draft a credit card policy in the future.

Local 670-C did not retain adequate documentation for lost wage reimbursement payments to Secretary-Treasurer Deloris Harris totaling at least \$218.47. The union must maintain records in support of lost wage claims that identify each date lost wages are incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that a lost time voucher did not contain the hours that were worked.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 670-C may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Local 670-C failed to maintain some employer dues check-off lists from the following employers: Mundet for July 2013 and Reynolds Packaging for October 2013 and November 2013. Union receipts must include an adequate identification of each receipt of money. The records should show the exact date that the money was received, the identity of the source of the money, and the individual amount received from each source.

Based on your assurance that Local 670-C 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 670-C for the fiscal year ended 06, 2014, was deficient in that Local 670-C did not include some reimbursements to officers totaling at least \$1,379.28 in the amount reported in Column E (Allowances and Other Disbursements) of Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Column D (Gross Salary) of Item 24.

The union must report most direct disbursements to Local 670-C 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).

During the exit interview, I provided compliance tip sheet, *Reporting Officer and Employee Payments on Form LM-3*, which may be used to help Local 670-C satisfy this requirement.

Local 670-C must file an amended Form LM-3 for the fiscal year ended June 30, 2014, to correct the deficient items discussed above. I encourage Local 670-C to complete, sign, and file its report electronically using the Electronic Filing System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than June 3, 2016 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Local 670-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: Ms. Deloris Harris, Secretary-Treasurer
Ms. Evelyn Brooks, Office Manager