



April 1, 2016

Mr. Tony Stahl, Secretary/Treasurer  
Boilermakers Lodge 106  
3436 Bottomwood Drive  
Erlanger, Kentucky 41018

Case Number: 350-6007164  
LM Number: 511-696

Dear Mr. Stahl:

This office has recently completed an audit of Boilermakers Lodge 106 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 31, 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.

#### 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 Lodge 106's fiscal year ending June 30, 2015 records revealed the following recordkeeping violation:

#### Incomplete Receipts Records

Lodge 106's receipt records did not include an adequate identification of all money received during the audit year. Specifically, the lodge deposited a total of \$923 for which I was unable to

identify the source of funds from the union records. Based on your assurance that Lodge 106 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

### 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. For example, the Labor Organization Annual Report Form LM-3 filed by Lodge 106 for fiscal year ending June 30, 2015, was deficient in the following areas:

#### 1. Acquire/Dispose of Property

Item 13 of Lodge 106's 2015 LM-3 report (During the reporting period did the labor organization acquire or dispose of any assets in a manner other than purchase or sale?) should have been answered, "Yes," because Lodge 106 gave away t-shirts and awards to members during that year. The lodge must identify the type and value of any property given away in the additional information section of the LM-3 report along with the identity of the recipients of such property. However, the lodge does not have to itemize on the LM-3 report every recipient of such giveaways by name. Rather, the lodge can describe the recipients by broad categories, if appropriate, such as "members."

#### 2. Disbursements to Officers

Lodge 106 did not include reimbursements to officers totaling at least \$8,062 in the amounts reported in Item 24 (All Officers and Disbursements to Officers) of the 2015 LM-3 report. It appears the lodge erroneously reported those payments in Item 48 (Office and Administrative Expenses).

Unions must report most direct disbursements to 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. Other Deficiencies

Besides the examples listed above, there were a few other minor deficiencies on the 2015 LM-3 report. We discussed those during the exit interview and I provided you with a summary of all deficiencies on the 2015 LM-3 report to you to assist you in amending the report.

4. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Lodge 106 amended its constitution and bylaws in March 2014, but did not file a copy with its LM report for its fiscal year ending June 30, 2014. However, Lodge 106 provided OLMS with a copy of its most recent bylaws during the compliance audit, so no action is required in that regard.

However, Lodge 106 must file an amended Form LM-3 for fiscal year ending June 30, 2015, to correct the deficient items listed above and discussed during the exit interview. The amended Form LM-3 should be submitted no later than April 15, 2016. Please call me if you have any questions or need assistance in completing the amended report.

Other Issues

As we discussed during the exit interview, a few of the lodge's vouchers would have been more comprehensive records if they had contained more detail. For example, a few lost time vouchers did not include the dates of lost time or the union purpose. You agreed to ensure that adequate details are included on all future lost time vouchers.

I want to extend my personal appreciation to Lodge 106 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,



Senior Investigator