



August 23, 2018

Ms. Jena Gerken, Secretary Treasurer
Firefighters Local 24
1305 Knight St.
Richland, WA 99352-4103

Case Number: 530-6014456
LM Number: 055951

Dear Ms. Gerken:

This office has recently completed an audit of Firefighters Local 24 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 on August 23, 2018, 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 24's 2017 records revealed the following recordkeeping violations:

1. Receipt Dates not Recorded

Entries in Local 24's deposits records and receipts journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show

the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the Local 24 membership is required to authorize previously made Local 24 related disbursements during the monthly membership meetings. However, during the month of September 2018, Local 24 made debit card purchases in excess of \$3,500 in which the October 2018 Local 24 general membership meeting minutes do not contain authorization. For example, on September 19, 2017, Local 24 debit card ending in [REDACTED] made four separate purchases at a Residence Inn for \$955.86 each. Also, on September 13, 2017, Local 24 debit card ending in [REDACTED] made a purchase of \$114.52 at Amazon. None of these transactions were subsequently approved by the Local 24 general membership as Local 24 requires.

Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

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 24 for the fiscal year ended December 31, 2017 was deficient in the following areas:

1. Failure to Report Receipts and Disbursements

The audit disclosed the union failed to report funds received and disbursed for charity. For example, on October 25, 2017, Local 24 deposited \$773 in receipts as part of the chili feed for breast cancer. Local 24 must report all monies received and disbursed in Statement B of the LM 3 Report.

2. 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.

Local 24 has now filed a current copy of its constitution and bylaws.

Based on your assurance that Local 24 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 you and Firefighters Local 24 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