

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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March 2, 2007

Mr. William Kelley, Financial Secretary  
Ironworkers  
Local 372  
4958 Winton Ridge Avenue  
Cincinnati, OH 45232

Re: Case Number: [REDACTED]

Dear Mr. Kelley:

This office recently completed an audit of Ironworkers Local 372 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 [REDACTED] discussed during the exit interview with you on February 8, 2007, 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.

The audit of Local 372's 2006 records revealed the following recordkeeping violations:

The audit disclosed a violation of LMRDA Section 206 that requires, in part, that adequate records be maintained to verify, support, and clarify all union disbursements. [REDACTED] found that several receipts were missing for disbursements that were for travel related expenses. Local 372 also failed to maintain receipts for gas purchases with the union's credit card. At the exit interview, you told Investigator Walsh that you would start maintaining all of the required backup documentation to support any purchases that are made with union funds.

The CAP also disclosed a violation of LMRDA Section 201(a) which requires that a union submit a copy of its revised bylaws with its LM report when constitution or bylaw changes are made. Local 372 amended its bylaws, but a copy was not filed with its LM report for that year. Since you provided Investigator Walsh the latest copy, no further action is warranted at this time.

██████████ audit identified the following weaknesses in your union's internal financial controls:

██████████ found that Local 372's clerical employee, ██████████ signed Local 372 President John Walter's name to multiple union checks during the audit period. While Mr. Walter advised that he was aware that Mr. Bryant was signing his name on union checks, both ██████████ and I urge you to stop this practice immediately. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. Should an individual other than an official signatory sign a union check, that signature does not attest to the authenticity of the completed check, and circumvents and undermines the purpose of the countersignature requirement.

During the audit, ██████████ confirmed that Local 372 maintains an electronic receipts journal. Since it has been the local's practice to retain some dues receipts at the union hall to make change for other dues paying members, not all of the dues money collected is deposited to Local 372's bank account. During the exit interview ██████████ recommended that Local 372 maintain a cash receipts journal reflecting all dues collected. The cash receipts journal should identify each member individually and reflect how each member paid his or her dues. ██████████ also recommended that Local 372 deposit all dues money received and write a check to "cash" to use to make change for dues paying members. This would ensure that all dues money can properly be accounted for and deposited.

██████████ found that former employee ██████████ name is on Local 372's cell phone account. As ██████████ is no longer an employee with the local, ██████████ recommended that you remove her name from the account. During the exit interview you advised that you would have ██████████ name removed from the union's cell phone account.

During the audit ██████████ found that Local 372 did not maintain current signatories on multiple bank accounts. I understand from ██████████ that you have since updated the signature cards on your bank accounts and provided him with copies.

██████████ also advised Local 372 about the importance of paying union bills on time. During the audit year ██████████ found four late fee payments of \$29 each that were attributed to Local 372's credit card bill being paid late. You advised

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that Local 372 will pay more attention to paying the local's bills on time to avoid late fees being assessed.

I want to extend my personal appreciation to Ironworkers Local 372 for the cooperation and courtesy extended to [REDACTED] 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,

Lesta A. Chandler  
District Director

cc: President John Walter  
Ron Gladney, Attorney at Law