

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Philadelphia District Office  
170 S. Independence Mall West  
Room 760  
Philadelphia, PA 19106  
(215)861-4818 Fax: (215)861-4819



September 17, 2007

Mr. Mathew Marowski, Treasurer  
Asbestos Workers  
Local 42  
156 St. Johns Drive  
Glen Mills, PA 19342

LM File Number 005-625

Case Number: [REDACTED]

Dear Mr. Marowski:

This office has recently completed an audit of Asbestos Workers Local 42 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 President Preston Smith, Business Manager Robert Carl and yourself on September 13, 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.

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 42's 2006 records revealed the following recordkeeping violations:

1. Lost Wages

Local 42 did not retain adequate documentation for lost wage reimbursement payments to [REDACTED] totaling at least \$6,633.50. The union must maintain records in support of lost wage claims that identify each date lost wages were 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 Local 42 retained meeting minutes authorizing the expenditure and noting the nature of the union business, but did not maintain any records identify each date lost wages were incurred, the number of hours lost on each date and the applicable rate of pay.

During the exit interview, I provided a sample of an expense voucher Local 42 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.

Based on your assurance that Local 42 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violations

1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the

total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 42's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

## 2. Fixed Asset Inventory

As I discussed during the exit interview with President Smith, Business Manager Carl and you, the audit revealed that Local 42 does not maintain a fixed asset inventory. A fixed asset inventory should be maintained to identify each asset, the value of each asset and to document the purchase, sale or distribution of each asset. OLMS recommends that unions establish and maintain a fixed asset inventory to adequately account for all property that is purchased, sold or given away.

I want to extend my personal appreciation to Asbestos Workers Local 42 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: President Preston Smith