

U.S. Department of Labor

Office of Labor-Management Standards
Honolulu Resident Investigator Office
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August 30, 2021

Mr. Michael Shim, President
Marisco Employees Association
94-077 Akualele Pl
Mililani, HI 96789

Case Number: 520-6020548()
LM Number: 543-199

Dear Mr. Shim:

This office has recently completed an audit of Marisco Employees Association (MEA) 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 April 15, 2021, 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 MEA's 2019 records revealed the following recordkeeping violations:

Information not Recorded in Meeting Minutes

During the audit, Mr. Shim advised OLMS that the executive board authorizes disbursements at informal meetings during lunch and that no regularly scheduled meetings take place. MEA does not maintain minutes of these informal meetings. Therefore, there is no documentation for approval of MEA's disbursements. MEA should conduct meetings in accordance with its constitution, Article VII, and minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

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

Other Violations

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 MEA's officers and employees were not bonded for the minimum amount required at the time of the audit. However, MEA 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.

I want to extend my personal appreciation to MEA 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: Mr. Paepaega Matautia, Treasurer