



November 2, 2021

Mr. Kinsey Robinson, International President
Roofers International Union
1660 L Street NW, Suite 800
Washington, DC 20036

Case Number: 041-6020994 [REDACTED]
LM Number: 000135

Dear Mr. Robinson:

This office has recently completed an audit of United Union of Roofers, Waterproofers, and Allied Workers International Union (RWAW) under the International Compliance Audit Program (I-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, International Secretary Treasurer James Hadel, Jurisdiction Director Mitchell Terhaar, Attorney [REDACTED], and Certified Public Accountant [REDACTED] on October 28, 2021, the following problems were disclosed during the I-CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope. Based on your assurance that RWAW will remedy the areas of non-compliance with the LMRDA, OLMS will take no further action regarding the audit findings at this time.

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 (unless electronically maintained) 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 RWAW's 2019-2020 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

RWAW did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$14,000. For example, International Vice President Douglas Ziegler incurred at least \$11,000 in airfare. While American Airlines billing invoices were retained in union records, no record identifying the nature of the union business requiring the disbursement was found.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements, unless true copies are maintained electronically. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

RWAW did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$5,000. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

RWAW records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges, totaling at least \$7,100. RWAW retained the credit card statements, credit card receipts, and/or and credit card signature receipts, but in some instances failed to include the names and titles of those incurring the meal expenses or the union business conducted. For example, on August 13, 2019 you charged \$745.35 at Oceanaire DC. The business purpose listed was "business dinner," which is not sufficiently descriptive. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Reimbursed Auto Expenses

Union officers and employees who received reimbursement for the business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$9,500. Officers and employees submitted vouchers that were not adequate because the specific dates of travel, the location traveled to and from, and the business purpose were not always properly identified. For example, International Vice President Thomas Pedrick's mileage claims always stated from Holland, PA to Philadelphia, PA, but the mileage ranged from 50 to 180 miles per trip. Mr. Pedrick put a disclaimer on each voucher stating he assisted 11 local unions and identified them by the local number. However, Mr. Pedrick failed to identify the dates he traveled to/from these locals and/or the locals' locations.

RWAW must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses. Business purposes such as “meetings” or “union business” are not sufficiently descriptive.

Based on your assurance that RWAW will retain adequate documentation in the future to comply with the requirements outlined above, OLMS will take no further enforcement action at this time regarding these issues.

Reporting Violation

Section 201(b) of LMRDA requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-2) filed by RWAW for the fiscal year ended June 30, 2020 was deficient in that:

Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) was correctly answered, “Yes,” because the union gave away “union imprinted promotional items” during the audit year. However, the RWAW failed to identify the value of the items given away in Item 69 (Additional Information). The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as “members” or “new retirees.”

I am not requiring that RWAW file an amended LM report for 2020 to correct the deficient item, but RWAW has agreed to properly report the deficient item on future reports.

Affiliate Violations

Section 201(a) of the LMRDA requires every covered labor organization to adopt a constitution and bylaws and file a copy with the Secretary of Labor. A report providing organizational information including statements about its operating procedures, names and titles of officers, initiation fees, dues, and references to various constitutional provisions must be filed along with the constitution and bylaws. Section 201(b) requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations.

The Labor Organization Information Report (Form LM-1) and Labor Organization Annual Reports (Form LM-2/3/4) filed by RWAW affiliates for the fiscal year ended June 30, 2020 or December 31, 2021, found significant areas of non-compliance with the LMRDA. While LMRDA compliance is the affiliates’ responsibility, OLMS identified significant issues and recommends RWAW provide guidance to these subordinate unions:

1. Affiliates Failure to File

The audit revealed three affiliate district councils (Indiana, Michigan, and New Jersey), which had failed to file their Labor Organization Information Report (Form LM-1) and annual financial reports with OLMS. Section 201(a) requires that Form LM-1 be filed 90 days after the date on which a labor organization becomes subject to the LMRDA. Section 201(b) requires annual financial forms must be filed within 90 days after the end of the labor organization's fiscal year.

2. Affiliates Failure to Report or Itemize Receipt

Some affiliated locals did not properly report some "major" transactions in Schedule 14 (Other Receipts). A "major" transaction includes any individual transaction of \$5,000 or more or total transactions to or from any single entity or individual that aggregate to \$5,000 or more during the reporting period and which the local cannot properly report elsewhere in Statement B. The audit found RWAW disbursed funds to affiliates for organizing. RWAW correctly reported these transactions on its LM-2; however, some of the affiliates receiving the funds failed to report the receipt of these funds on the affiliate annual report. For example, RWAW disbursed at least \$11,988 to Local 106 for an "organizing subsidy." A review of Local 106's LM-2 for the period ended December 31, 2019, found that Local 106 failed to report these funds and complete the itemization page in Schedule 14.

RWAW assisted affiliate district councils in filing the necessary reports with OLMS or terminated inactive district councils. In addition, RWAW advised it will assist its affiliates in correcting the deficient items. RWAW will continue to assist affiliates in properly reporting the deficient items on future reports, and timely filing all future reports it files with OLMS.

Other Issue

Original Receipts Not Retained by International Union

The audit revealed that at least five international vice presidents and international representatives submitted copies of receipts and/or invoices with their biweekly expense reports rather than original receipts. These officers and employees are located throughout the country, and are not stationed at RWAW headquarters. You and Secretary Treasurer James Hadel advised that these officers and employees may have maintained original invoices, but did not submit them to the International Union with their expense vouchers. OLMS recommends RWAW review its procedures to ensure that original supporting documentation (unless maintained electronically), is being maintained by the International Union or the officers and employees who submit the expense claim.

I want to extend my personal appreciation to RWAW for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the

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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,

[REDACTED]

[REDACTED] Investigator
International Compliance Audit Program

cc: Mr. James Hadel, International Secretary Treasurer (sent via email)