



February 5, 2019

Mr. David G. Ezell, Business Manager
Plumbers AFL-CIO Local 760
2807 Avalon Ave.
Muscle Shoals, AL 36661

Case Number: 410-6014957 [REDACTED]
LM Number: 023479

Dear Mr. Ezell:

This office has recently completed an audit of Plumbers AFL-CIO Local 760 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 February 4, 2019, 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 760's 2017 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 760 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the union officers for gas expenses totaling at least \$100. For example, the union had designated gas cards for the union cars but fail to maintain gas receipts with the credit card statement.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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. Union Owned/Leased Vehicles

The union did not maintain records necessary to verify the accuracy of the information reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 / Item 24 (All Officer and Disbursements to Officers) of the LM-3.

Local 760 incurred expenses totaling at least \$100 for automobiles during 2017. However, Local 760 did not maintain records documenting business versus personal use of the union vehicles.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedules 11 and 12 of the LM-2, allocated to the officer or employee to whom each vehicle is assigned.

For each trip they take using a union owned or leased vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

Based on your assurance that Local 760 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

As necessary and appropriate, edit the union's name as it initially appears in closing para.
I want to extend my personal appreciation to Plumbers AFL-CIO Local 760 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: ██████████, Financial-Secretary