



January 20, 2020

Mr. John Kotowicz, Treasurer
American Longshoremen Assn of West
Florida Local 1482
[REDACTED]
Panama City, FL 32409

Case Number: 410-6012357 [REDACTED]
LM Number: 052647

Dear Mr. Kotowicz:

This office has recently completed an audit of American Longshoremen Assn of West, Florida Local 1482 under the Compliance Audit Program (CAP) to determine that 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 and President Ron Kyser on January 15, 2020, 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 1482's 2018 records revealed the following recordkeeping violations:

1. Receipt Dates not Recorded

Entries in Local 1482's check register reflect the date the union deposited money, but not the date the dues money was received or from whom these funds were obtained. Union receipts records must show the date of receipt and the source of the money. The date of receipt is

required to verify, explain, or clarify amounts required to be reported in Statement B of the LM-2 or (Receipts and Disbursements) of the LM-3. The LM instructions state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Failure to Accurately Record Receipts

The amounts recorded in the local's check register did not match actual deposits made to the credit union checking account on two separate instances. The amount recorded in the check register was less than what was actually deposited in the bank. The handwritten dues roster used did not accurately record dues payments from members. OLMS found no discrepancies in the amounts collected and deposited, only in how they were recorded in the union's check register.

3. Lack of Salary Authorization

Local 1482 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

4. Failure to Maintain Supporting Documents

Local 1482 during fiscal year ending September 30, 2018 failed to maintain deposit slips, vendor receipts, and other supporting documents. Former Treasurer Brannon stated these records were damaged or destroyed during Hurricane Michael.

Local 1482's check register and bank statements showed the purchases of services, such as a telephone call out service used to notify members of employment opportunities, meeting room rentals for the union's membership meeting. All from vendors and each made on a monthly basis. The transactions in question include salary payments and third party vendor services all of which total less than \$1,000.

Based on your assurance that Local 1482 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 1482 for the fiscal year ended September 30, 2018, was deficient in that it failed to list all officers of Local 1482. Two officers Michael Pankey and Trevor Benton both served as recording secretary during the fiscal year and were not listed on the LM-3 report filed. In addition, this report was not marked terminal.

I am not requiring that Local 1482 file an amended LM report for 2018 to correct the deficient item.

I want to extend my personal appreciation to American Longshoremen Assn of West, Florida Local 1482 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.

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Investigator