



June 9, 2020

Mr. Jeramy M. McCoy, F/S Secretary/Business Manager
Insulators, AFL-CIO
Local 10
P.O. Box 295
Atkins, AR 72823

Case Number: 420-6016914
LM Number: 020534

Dear Mr. McCoy:

This office has recently completed an audit of Insulators Local 10 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 May 29, 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 Violation

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 Insulators Local 10's 2018 records revealed the following recordkeeping violation:

Lack of Salary Authorization

Insulators Local 10 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.

Based on your assurance that Insulators Local 10 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violation

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 Insulators Local 10 for the fiscal year ended December 13, 2018, was deficient in the following area:

Building Repair Disbursement

Local 10 paid member [REDACTED] \$276 for a repair. The disbursement was reported in Item 46 Employees, but should have been reported in Item 48 Office and Administrative Expense.

I am not requiring that Local 10 file an amended LM report for 2018 to correct the deficient item, but Local 10 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Officer Salary Overpayment

The audit revealed that Local 10 overpaid one of its officers \$175.24 due to an error with the officer's work schedule. The overpayment was repaid by the officer, and documented in the membership meeting minutes.

In as much as the officer revealed the error and OLMS verified the officer repaid the union, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Insulators Local 10 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,

[REDACTED]
Investigator

cc: President Tracy Tustison
Vice President Tracy Rather
Trustees Cindy Kimbrough, Thomas Brock, and [REDACTED]