



June 3, 2020

Mr. Keola Martin, Treasurer  
Boilermakers AFL-CIO  
PO Box 2202  
Aiea, HI 96701-8202

Case Number: 520-6017711 [REDACTED]  
LM Number: 540137

Dear Mr. Martin:

This office has recently completed an audit of Boilermakers AFL-CIO 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 Treasurer Keola Martin on May 11, 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.

#### Record Keeping 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 652's 2019 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 652 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Treasurer Keola Martin totaling at least \$433. For example, reimbursement was made for purchases at Murphy Express, Food4Less Fuel, G&M Oil Co., and ABM Parking in July 2018; at Long's (CVS) and Alamo Rent-A-Car (tolls) in October 2018; and at the Mirage and Alamo Rent-A-Car (toll) in April 2019. However, the audit found no itemized receipts for these expenses or documentation that these expenses had been properly authorized.

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. Meal Expenses

Local 652 reimbursed Treasurer Keola Martin and President Bobby Tavares for a meal expense totaling \$440.00. The meal was for two union officers and three family members. The reimbursement for meals must be for official union business purposes under LMRDA Section 206. Meals for family members, as in this situation, would not meet this requirement.

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. Information not Recorded in Meeting Minutes

During the audit, Mr. Martin advised OLMS that the membership authorized expenses at the monthly membership meetings. The minutes of the meetings indicate that financial reports were reviewed in June 2018, October 2018, and November 2018. However, no authorizations of specific disbursements were noted in the minutes for these three meetings. The only instance in which a specific disbursement was authorized occurred at the February 2019 meeting, which authorized travel expenses for a conference in Washington, D.C. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Other Issue

The CAP additionally revealed that the union credit card is paid via automatic electronic payment from the union's checking account. This could create situations where the credit card charges are automatically paid without review or authorization by union officers, trustees, and members.

Following our exit interview on May 11, 2020, Mr. Martin provided this office with evidence that the cost of the family members' meals noted above had been reimbursed by the two officers and deposited to the union's checking account. Mr. Martin also provided this office with evidence that the automatic electronic payment to the credit card has been terminated and assured that all future credit card payments will be made manually.

Based on your assurance that Local 652 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Boilermakers Local Lodge 90 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator