



June 5, 2020

Mr. Charles Gill, Secretary-Treasurer  
Stage and Picture Operators, AFL-CIO  
Local Union 10  
700 Main St.  
Buffalo, NY 14202

Case Number: 110-6017912 [REDACTED]  
LM Number: 009653

Dear Mr. Gill:

This office has recently completed an audit of IATSE 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 Treasurer Charles Gill, President Joshua Moberly, Office Manager [REDACTED], and Attorney John Lichtenthal on May 21, 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 IATSE Local 10's 2019 records revealed the following recordkeeping violations:

1. General Credit Card Expenses

Local 10 did not retain adequate documentation for credit card expenses primarily incurred by former Business Agent Gary Syracuse, and other officers assigned totaling at least \$1,295. For example, the union was missing receipts for credit card purchases at Walgreens for \$31.11, Cabaret for \$70.87 and two Home Depot purchases totaling \$1,193.94.

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 10 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$201. 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.

Local 10 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. For example, President Joshua Moberly was reimbursed a meal expense for \$58.78 to Bada Bing Restaurant without the itemized meal receipt, names of persons present, and an explanation of the union business conducted. 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

Based on your assurance that Local 10 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 10 for the fiscal year ended December 31, 2019 was deficient in the following areas:

1. Item 17, Employees

Local 10 improperly answered Item 17 “no.” This item must be answered yes if any employee of your organization received more than \$10,000 in gross salaries, allowances, and other direct and indirect disbursements during the reporting period, with an explanation in Item 56.

The audit revealed that the union paid Office Manager [REDACTED] more than \$10,000 as described above but failed to report such on the form.

2. Disbursements to Officers

Local 10 did not include some reimbursements to officers totaling at least \$363 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments elsewhere on the form.

The union must report most direct disbursements to Local 10 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense)

3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 10 amended its constitution and bylaws in 2016, but did not file a copy with its LM report for that year.

Local 10 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 10 file an amended LM report for 2019 to correct the deficient items, but Local 10 has agreed to properly report the deficient items on all future reports it files with OLMS.

Mr. Charles Gill

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I want to extend my personal appreciation to IATSE 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,

A large black rectangular redaction box covering the signature of the sender.

Supervisory Investigator

cc: Mr. Joshua Moberly, President