



U.S. Department of Labor
Office of Labor-Management Standards
Washington District Office

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December 10, 2020

Mr. John Page, Secretary-Treasurer
International Alliance of Theatrical Stage Employees
District 4
[REDACTED]
Washington, DC 20090

Case Number: 450-6018627 [REDACTED]
LM Number: 017763

Dear Mr. Page:

This office has recently completed an audit of International Alliance of Theatrical Stage Employees (IATSE) District 4 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 December 1, 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.

Reporting 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 District 4 2019's records revealed the following recordkeeping violation:

General Expenses

District 4 did not retain adequate documentation for a payment to the stenographer for the 2019 annual membership meeting.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The secretary-treasurer of your union, who is required to sign your union's LM report, is responsible for properly maintaining union records.

Based on your assurance that District 4 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violation

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. District 4 amended its constitution and bylaws in 2018, but did not file a copy with its LM report for that year. District 4 has now filed a copy of its constitution and bylaws.

Other Issues

Signing Blank Checks

During the audit, you advised that the Local 22 president signs blank checks. Your union's bylaws require that all checks be signed by the president and the chair. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that District 4 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to IATSE District 4 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