

U.S. Department of Labor

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May 15, 2025

Alana Schaeffer, President
Metal Trades Dept., AFL-CIO
Metal Trades Council
P.O. Box 2052
Portsmouth, NH 03804

Case Number: 110-6030271()
LM Number: 502123

Dear Alana Schaeffer:

This office has recently completed an audit of the Metal Trades Council (MTC) under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you and Treasurer Dwight Goodwin on May 6, 2025, 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 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain 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 MTC's 2024 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

The MTC did not retain adequate documentation for reimbursed expenses incurred by President Schaeffer totaling at least \$105. For example, the union failed to maintain a receipt for pizza for a union meeting totaling \$97.

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. Reimbursed Auto Expenses

President Schaeffer who received reimbursement for business use of her personal vehicle did not retain adequate documentation to support payments to her totaling at least \$264 during 2024. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Direct Disbursements to Delta Dental

Adequate documentation was not retained for disbursements to Delta Dental. MTC only maintained bank statements in support of these disbursements, and no invoices or other records were kept. For example, on January 31, 2024, the union paid via EFT, \$13,556 to Delta Dental, however a billing statement or other supportive record showing the premiums paid in this amount was not retained. As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The bank statement alone showing the EFT is not sufficiently descriptive.

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

Reporting Violations

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (see Section 201(b) of the Labor-Management Reporting and Disclosure Act (LMRDA)) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report Form LM-3 filed by MTC for the fiscal year ended December 31, 2024, was deficient in the following areas:

1. Failure to Accurately Report Cash Figures

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to MTC's bank statements as reconciled with other union records. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

In addition, the union failed to properly report MTC's total receipts in Item 44 (Total Receipts), and similarly the union's total disbursements in Item 55 (Total Disbursements). Receipts must be recorded when money is actually received by the labor organization and disbursements must be recorded when money is actually paid out by the labor organization.

2. Disbursements to Officers

MTC did not include disbursements to officers totaling at least \$8,300 in Item 24, Column D (Gross Salary). It appears the union either erroneously reported these payments in Column E (Allowances and Other Disbursements) or reported these payments elsewhere on the form.

MTC must report in Column D of Item 24 gross salaries (before tax withholdings and other payroll deductions) of union officers, including disbursements for lost wages. MTC must report in Column E (Allowances and Other Disbursements) of Item 24 direct disbursements to officers for reimbursement of expenses they incurred while conducting union business.

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 Expenses).

3. Failure to Properly Categorize Receipts and Disbursements

The union failed to report receipts received from Delta Dental remittances in Item 43 (Other Receipts). Instead, the union reported those in Item 38 (Dues). The LM-3 instructions state that all receipts other than those reported in Items 38 through 42, including funds collected for transmittal to third parties, must be reported in Item 43.

In addition, the union failed to accurately categorize disbursements in Items 45 through 54. It appears the union erroneously reported disbursements for loans in Item 53 (Loans), however no loans were issued during the year. In addition, the amounts reported in Item 47 (Per Capita Tax), and Item 54 (Other Disbursements) were not inclusion of the actual

disbursements made during the period. Refer to the LM-3 Instructions for guidance on where to report such disbursements on the Form.

4. Failure to File Bylaws

Pursuant to 29 C.F.R. Section 458.3, the requirement under 29 C.F.R. Section 402.4 implementing LMRDA Section 201(a) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file copies of any revised constitution and bylaws when it files its annual financial report. The audit disclosed a violation of this requirement. MTC amended its constitution and bylaws in 2023, but did not file the required copies with its LM report for that year.

As agreed, MTC will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than May 30, 2025.

MTC must file an amended Form LM-3 for the fiscal year ended December 31, 2024, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than May 30, 2025. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to the Metal Trades Council 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

cc: Dwight Goodwin, Treasurer