

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Atlanta District Office
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Room 8B85
Atlanta, GA 30303
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August 24, 2006

Mr. Alvarez, Secretary - Treasurer
Machinists, AFL-CIO
Lodge 368
4349 NW 36 Street
Miami Springs, FL 33166-7302

Re: Case Number: _____

Dear Mr. Alvarez:

This office has recently completed an audit of Machinists Local Lodge 368 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 Osvaldo Alvarez on April 7, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

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In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts. The audit of Lodge 368's 2004 records revealed that bank records for the two Certificate of Deposit Accounts were not retained.

As agreed, provided that Lodge 368 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

I want to extend my personal appreciation to Machinists Local Lodge 368 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,

Bobbie West
District Director

cc: Donald Morrow, President