

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
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September 14, 2006

Mr. Rick Shaw, Business Manager
Roofers AFL-CIO
Local 156
4015 Main Street Suite E
Springfield, OR 97478

Re: Case Number: XXXXXXXXXX

Dear Mr. Shaw:

This office has recently completed an audit of Roofers Local 156 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 Rick Shaw on August 31, 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.

Recordkeeping Violations:

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.

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.

Specifically it was noted that there was no authorization recorded for the \$150 Christmas bonus given to Rick Shaw in December 2005. Authorization should either be recorded in the union's bylaws or membership or executive board meeting minutes.

Reporting Violations:

The CAP 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 156 for fiscal year ending December 31, 2005, was deficient in the following areas:

At the close of the 2005 fiscal year, Local 156 owed \$26,084.89 to the Interational for back per capita tax. This should be reported in item #36 of your LM-3 report. Please provide a brief explanation of this and other liabilities owed by Local 156 in the "Additional Information" section on page 1, item #56, of the LM-3 report.

In addition, you stated that the union did not have a loss of funds during the 2005 fiscal year. Please indicate this in item #15.

Local 156 must file an amended Form LM-3 for fiscal year ending December 31, 2005, to correct the deficient items discussed above. I provided you with a blank form and instructions, and discussed with you the availability of the reporting forms and instructions on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 29, 2006. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Finally, it is recommended that the local maintain an inventory of assets. The inventory list should include a brief description of the item, the date of purchase, purchase price, and the location where the item is kept.

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I want to extend my personal appreciation to Roofers Local 156 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: John Gay, President