

**U.S. Department of Labor**

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November 29, 2007

Mr. Ron Piksa, President  
Iron Workers District Council of the Pacific Northwest  
10828 - Gravelly Lake Dr. SW, Suite 212  
Lakewood, WA 98499

LM File Number: 036-400  
Case Number: [REDACTED]

Dear Mr. Piksa:

This office has recently completed an audit of Iron Workers District Council of the Pacific Northwest 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 [REDACTED] on November 16, 2007, 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 Iron Workers District Council of the Pacific Northwest 2007 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Iron Workers District Council of the Pacific Northwest did not retain adequate documentation for credit card expenses incurred by President Piksa, and [REDACTED] totaling at least \$16,610. For example, 43 out of 162 master card transactions, and 148 out of 152 American Express transactions did not have receipts.

As previously 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

Iron Workers District Council of the Pacific Northwest did not require officers to submit itemized receipts for meal expenses totaling at least \$29,013. 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.

Iron Workers District Council of the Pacific Northwest 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, 61 transactions were missing either a written explanation of union business, or the names and titles of the person incurring the charge. 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 the assurance that Iron Workers District Council of the Pacific Northwest 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 LM-2 filed by Iron Workers District Council of the Pacific Northwest for fiscal year ending June 30, 2007, was deficient in that the district council failed to file its most recent bylaws.

#### 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. Iron Workers District Council of the Pacific Northwest amended its constitution and bylaws in 2002, but did not file a copy with its LM report for that year. The district council has now provided an updated copy of its constitution and bylaws to OLMS.

I want to extend my personal appreciation to Iron Workers District Council of the Pacific Northwest 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,

Supervisory Investigator

cc: Kevin Jensen, Treasurer