

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Baltimore Resident Office  
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June 19, 2007

Sean Ryan, President  
IAMAW Local Lodge 2914  
2108 Thackeray Lane  
Virginia Beach, VA 23454

LM File Number: 540-446

Case Number: [REDACTED]

Dear Mr. Ryan:

This office has recently completed an audit of International Association of Machinists (IAMAW) Local Lodge 2914 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 June 18, 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 Local Lodge 2914's 2006 records revealed the following recordkeeping violations:

1. Lost Wages

Local Lodge 2914 did not retain adequate documentation for lost wage reimbursement payments to local lodge officers. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local Lodge 2914 failed to record the union business conducted on several lost wage vouchers.

2. Retention of Deposit Slips

Local Lodge 2914 failed to retain deposit slips for some deposits into its account at BB&T Bank. Deposit slips must be maintained for all union deposits.

3. Meeting Expense Receipts

Local Lodge 2914 failed to retain all receipts for meeting expenses at the VFW Hall in Norfolk, VA. 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.

Based on your assurance that Local Lodge 2914 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violations

The audit disclosed the following other violation(s):

1. Local Election

Lodge Lodge 2914 failed to hold its last regularly scheduled election of officers. In addition, Local Lodge 2914 failed to hold an election within the maximum time

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frame required by the LMRDA. As agreed, the local lodge will conduct an election of officers as soon as possible.

I want to extend my personal appreciation to the officers of Local Lodge 2914 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: Bill Dameron, Grand Lodge Auditor