

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Cincinnati District Office  
36 East Seventh Street  
Room 2550  
Cincinnati, OH 45202  
(513) 684-6840 Fax:(513) 684-6845



February 1, 2008

Mr. Greg Revard, International Vice President  
Asbestos Workers Central States Conference  
8735 Ohern Road  
Saginaw, MI 48609

LM File Number: 005-130

Case Number: [REDACTED]

Dear Mr. Revard:

This office has recently completed an audit of the Asbestos Workers Central States Conference under the Compliance Audit Program (CAP) to determine the organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As Investigator [REDACTED] discussed during the exit interview with CPA Sheri Mason and you on January 29, 2008, 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.

#### Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The conference's officers were bonded for \$2,500 during the fiscal year ending December 31, 2007, but they should have been bonded for at least \$3,400. The conference should obtain adequate bonding coverage for its officers immediately. Please provide proof of bonding coverage to this office as soon as possible.

Other Issues

1. Duplicate Receipts

Local unions in the Central States Region pay an annual assessment directly to the Central States Conference. Secretary-Treasurer Collier records assessment payments in the conference's check register, but he does not issue receipts to the local unions. OLMS recommends that the conference use a duplicate receipt system where an original pre-numbered receipt is issued to all local unions that make payments directly to the conference and retain copies of those receipts. A duplicate receipt system is an effective internal control because it ensures that a record is created of income which is not otherwise easily verifiable.

2. Two Signature Requirement for Checks

The Central States Conference only requires one signature for checks drawn against its account. OLMS recommends that the conference adopt a two signature requirement for all checks drawn against its account in the future because it is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed.

OLMS is reviewing the status of the Central States Conference as a labor organization as defined in section 3(i) of the LMRDA, and the resultant requirement to file required reports with this office in the future. Until a final determination is made, we will consider the conference to be a covered labor organization under the Act. The conference should continue to file all reports as required by law until notified otherwise. As promised, this office will notify you in writing once a final determination is made with regard to the conference's status.

I want to extend my personal appreciation to the Central States Conference for the cooperation and courtesy extended to Investigator [REDACTED] during this compliance audit. I strongly recommend that you make sure this letter is passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Lesta A. Chandler  
District Director

Mr. Greg Revard  
February 1, 2008  
Page 3 of 3

cc: Mr. Scott Collier, Secretary-Treasurer  
Ms. Sheri Mason, CPA