

**U.S. Department of Labor**

Employment Standards Administration  
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February 6, 2008

Mr. Andrew Maute, Business Agent  
Sheet Metal Workers Union  
Local 399  
3345 Seiberling Road  
Charleston, SC 29418

Re: Case Number: [REDACTED]

Dear Mr. Maute:

This office has recently completed an audit of Sheet Metal Workers Union Local 399 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 December 21, 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.

The CAP disclosed the following violations:

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.

The audit of Local 399 2006 records revealed the following recordkeeping violations:

FAILURE TO KEEP RECORDS - Financial Reconciliation Reports

The local reconciliation reports generated by Quickbooks used to reconcile the union financial records were missing specifically March through July 2006 and September 2006. Based on your assurance that Local 399 always retains adequate documentation and that these reconciliation reports were inadvertently misplaced; and the local will be more diligent in safeguarding all records in the future. OLMS will take no further enforcement action at this time regarding the above recordkeeping violations.

Disposition of Property

Local 399 did not maintain an inventory of its t-shirts, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

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. Local 399 amended its bylaws in June 1999 and its constitution in 2004, but did not file a copy with its LM report for that year. The last amendment OLMS had in its disclosure files was for 1991.

Local 399 has now filed a copy of its constitution and bylaws, and therefore, the reporting deficiency was corrected.

I want to extend my personal appreciation to Sheet Metal Workers Local 399 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,

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Investigator