

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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March 3, 2008

Mr. Leslie Halveland, Secretary-Treasurer
UNITE HERE
Local 74
4433 Woodson Road, Suite 103
St. Louis, MO 63134

LM File Number 508-538
Case Number: [REDACTED]

Dear Mr. Halveland:

This office has recently completed an audit of UNITE HERE Local 74 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 Attorney Ron Willis, Office Administrator Debra Hager, and yourself on February 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.

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 UNITE HERE Local 74's records revealed the following recordkeeping violations:

UNITE HERE Local 74 did not retain adequate documentation for disbursements and credit card expenses. For example, numerous receipts for gas charges on the union credit card were not retained. Further, original receipts for former President Tim Luebbert's disbursements on the union's American Express card were not retained. As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The credit card billing statement is not sufficient documentation for credit card disbursements. The original receipts must be retained as well. The principal officers of your union are responsible for properly maintaining union records.

UNITE HERE Local 74 did not keep sufficient record of members that received sporting event tickets from the union. It is a common practice for the local to purchase tickets at various events at the Savvis Center in St. Louis, MO. These tickets are raffled off to members. However, the local does not keep a record of who receives the tickets. In 2004, the local had two St. Louis Rams Playoff tickets valued at \$446.00. There is no written record of who received the tickets. This information should be included in the local's meeting minutes at the time of the raffle. Whenever the local sells or gives away items, there should be a written record of who receives the item.

I want to extend my personal appreciation to UNITE HERE Local 74 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.

Mr. Leslie Halveland
March 3, 2008
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Sincerely,

A solid black rectangular box used to redact the signature of the investigator.

Investigator