

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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May 23,2008

Mr. Kish Whitebird, Financial Secretary & Business Agent
Roofers AFL-CIO
Local 143
111 Northeast 26th
Oklahoma City, OK 73105

LM File Number 003-077

Case Number: [REDACTED]

Dear Mr. Whitebird:

This office has recently completed an audit of Local 143 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 Patrica Patterson, Kevin Williams, Edward Stewart, Kendall Richard, and yourself on May 1,2008, 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.

The CAP disclosed the following:

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 143's 2007 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 143 did not retain adequate documentation for credit card expenses incurred by Financial Secretary & Business Agent Kish Whitebird totaling at least \$329. For example, Whitebird admitted that he failed to obtain and retain receipts of gasoline purchases made with the union's gasoline credit cards.

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. Lack of Salary and Allowance Authorization

Local 143 did not maintain records to verify that the allowance reported in Schedule 11 (All Officers and Disbursements to Officers) and the salary reported in Schedule 12 (Disbursements to Employees) of the LM-2 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary and allowance authorized by the entity or individual in the union with the authority to establish salaries.

3. Lack of Salary Bonus Authorization

Local 143 did not maintain records to verify that the annual bonus paid to Financial Secretary/Business Agent Kish Whitebird and Office Manager Patricia Patterson were authorized. The union must keep a record, such as meeting minutes or a contract, to show the current salary and any salary bonuses authorized by the entity or individual in the union with the authority to establish salaries.

4. Lack of Fixed Asset Inventory

Local 143 failed to maintain an inventory of their fixed assets. Records must be maintained that account for all union property. In the case of union furniture or equipment, a record should include the date of purchase and cost and value of each item.

5. Auto Expenses

Financial Secretary & Business Agent Kish Whitebird received reimbursement for business use of his personal vehicle and did not retain adequate documentation to support payments to him and to gasoline companies Shell and Phillips/Conoco totalling at least \$3,929 in 2007. Local 143 paid Shell for gasoline purchases made by Office Manager Patricia Patterson for business use of her personal vehicle. Patterson did not retain adequate documentation to support payments made to Shell totaling at least \$143 during 2007. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

6. Failure to Maintain Meeting Minutes & Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership meetings are often cancelled due to lack of a quorum. You also advised that Local 143 does not hold Executive Board meetings. Local 143 was missing meeting minutes for several months in 2007. If the meetings were cancelled, then a note, indicating the meeting was cancelled and the reason why, should be written in the meeting minutes book. OLMS requires that unions maintain adequate documentation for all expenditures. If Local 143 authorizes disbursements in membership meetings, then the minutes of those meetings must be maintained.

Based on your assurance that Local 143 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 Form LM-2 filed by Local 143 for fiscal year ending December 31,2007, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 143 did not include some reimbursements to employees totaling at least \$540 or payments made on behalf of officers and employees totaling at least \$1,447 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. 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 143 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year. Local 143 has now filed a copy of its constitution and bylaws.

Local 143 must file an amended Form LM-2 for fiscal year ending December 31,2007, to correct the deficient items discussed above. I explained to you the filing procedures and the availability of filing software on the OLMS website (www.olms.dol.gov). The amended Form LM-2 must be electronically filed as soon as possible, but not later than July 7,2008. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

Other Violations

The audit disclosed the following other violation(s):

1. 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.

Local 143's officers and employees are currently bonded for \$40,000, but they must be bonded for at least \$45,813. Local 143 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than June 23, 2008.

I want to extend my personal appreciation to Local 143 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: Patricia Patterson, Office Manager
Kevin Williams, Vice-President
Edward Stewart, President
Kendall Richard, Sergeant-at-Arms