

U.S. Department of Labor

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May 20, 2009

Mr. Paul Atwill, President
Graphic Communications, IBT
Local 72
6037 Baltimore Avenue
Riverdale, MD 20737-1903

LM File Number 033-009

Case Number: [REDACTED]

Dear Mr. Atwill:

This office has recently completed an audit of Graphic Communications, IBT 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 Financial Secretary Janice Bort and you on May 12, 2009, 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 72's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 72 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers. For example, the local failed maintain receipts for credit card purchases made by officers at Linemark Printing Company, Asknet-shops, and Toshiba. The local also failed to maintain receipts for an officer that attended a union-related conference.

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. Reimbursed Auto Expenses

A union officer who received reimbursement for business use of his personal vehicle did not retain adequate documentation to support payments to him. 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.

3. Lost Wages

Local 72 did not retain adequate documentation for lost wage reimbursement payments to union officers on several occasions. 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 72 did not record the date of the lost time and/or the purpose of the union business conducted.

During the exit interview, I provided a sample of an expense voucher Local 72 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

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Based on your assurance that Local 72 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(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 72 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year. Local 72 has now filed a copy of its constitution and bylaws.

Other Issues

Signing Checks

During the audit, you advised that only one officer is required to sign checks for the union's accounts at Morgan Stanley. The two signature requirement is an effective internal control of union funds. OLMS recommends that Local 72 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Graphic Communications, IBT 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: Janice Bort, Financial Secretary