

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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January 26, 2009

Mr. Gary Benshoof, Business Manager/Financial Secretary  
Sheet Metal Workers AFL-CIO  
Local 45  
4534 NW 6th Drive  
Des Moines, IA 50313

LM File Number 028-019  
Case Number: [REDACTED]

Dear Mr. Benshoof:

This office has recently completed an audit of Sheet Metal Workers Local 45 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 and Melanie Hutchins on January 15, 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 Violation

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 Sheet Metal Workers Local 45's records for fiscal year ending June 30, 2008, revealed the following recordkeeping violation:

#### Credit Card Expenses

Sheet Metal Workers Local 45 did not retain adequate documentation for credit card expenses incurred totaling at least \$6,088.92. For example, there were no backup records to support the following charges: a \$110.88 charge in September 2007 to VM Supercenter, two charges in October 2007 to Best Buy for \$158.59 and \$752.59, and a charge in December 2007 for \$2,500 to HyVee. In the November 29, 2007 meeting minutes, a motion was made, seconded and passed to give each unemployed or sick member a \$50 gift card. You said the \$2,500 charge was for these gift cards; however, the local did not maintain receipts for the gift cards or a list of who received the gift 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.

Based on your assurance that Local 45 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### Reporting Violation

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 45 for fiscal year ending June 30, 2008 was deficient in that the president and treasurer did not sign the report. It appears the report was signed by the local's accountant. According to the Instructions for Electronic Form LM-2 Labor Organization Annual Report, Section VI Officer Responsibilities and Penalties, the president and

treasurer or corresponding principal officers are responsible for signing the LM report since they are personally responsible for its filing and accuracy.

I am not requiring that Local 45 file an amended LM report for the fiscal year ending June 30, 2008 to correct the deficient item, but Local 45 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Sheet Metal Workers Local 45 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: Robert Gathercole, President