

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Pittsburgh District Office  
1000 Liberty Avenue  
Room 1411  
Pittsburgh, PA 15222  
(412)395-6925 Fax: (412)395-5409



July 1, 2009

Mr. Bill Wilshire, President  
Glass, Molders, Plastics AFL-CIO  
Local 246  
70 Blue Jay Lane  
Clarion, PA 16214

LM File Number 045-755  
Case Number: [REDACTED]

Dear Mr. Wilshire:

This office has recently completed an audit of GMP Local 246 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, Financial Secretary Linda Steele, and Treasurer Rodger Simpson on June 25, 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 246's 2008 records revealed the following recordkeeping violations:

1. Receipt Dates not Recorded

Entries in Local 246's receipts journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Lost Wages

Local 246 did not retain adequate documentation for lost wage reimbursement payments to local officers. 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.

During the exit interview, I provided a sample of an expense voucher Local 246 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.

3. General Reimbursed and Credit Card Expenses

Local 246 did not retain adequate documentation for reimbursed expenses.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or

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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 246 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 246 amended its constitution and bylaws in 1986, but did not file a copy with its LM report for that year. Local 246 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to GMP Local 246 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: Financial Secretary Linda Steele