

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Orleans District Office
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September 9, 2009

Mr. Stephen Hebert, Treasurer
USW/Allied Oil Workers
4440 Park Dr.
Fordoche, LA 70732

LM File Number: 036-378
Case Number: [REDACTED]

Dear Mr. Hebert:

This office has recently completed an audit of USW/Allied Oil Workers, 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 on September 2, 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 USW/Allied Oil Workers 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

USW/Allied Oil Workers did not retain adequate documentation for reimbursed expenses incurred by President Brandon Biggs totaling at least \$357.00. For example, Biggs used his personal credit card to pay for a meeting room at the Hilton Garden Inn and Suites in Baton Rouge on two occasions. However, there was only one receipt found in the union records.

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. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the executive board (council) met to authorize expenses at various times throughout the year. Article IV, Section (3) of the union's bylaws requires that "all expenditures of the Union shall be approved by the Council, and checks, signed by the Secretary-Treasurer, issued in payment of all Union bills. However, the minutes of the meeting do not contain any reference to those issues. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. Lack of Salary Authorization

Local USW/Allied Oil Workers did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that USW/Allied Oil Workers 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, which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations.

1. 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. USW/Allied Oil Workers amended its constitution and bylaws in 2006, but did not file the required copies with its LM report for that year. USW/Allied Oil Workers has now filed a copy of its constitution and bylaws.

2. Delinquent Reports

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-3) has not been filed by USW/Allied Oil Workers for fiscal year ending December 31, 2008, and is therefore delinquent.

USW/Allied Oil Workers has been delinquent in filing Form LM-3 eight of the last ten years and is currently delinquent for the 2008 audit year ending December 31, 2008. The president and treasurer or corresponding principal officers of the labor organization required to sign Form LM-3 are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report.

The LM report is due to OLMS within 90 days after the end of the labor organization's fiscal year. For example, USW/Allied Oil Workers' fiscal year ends on December 31st therefore, its LM report must be received by OLMS no later than March 31st of the following year to be considered timely filed. Any labor organization which has terminated and ceased to exist or lost its identity through merger or consolidation must file a terminal financial report within 30 days of such action. Therefore, your organization's report is long overdue.

Mr. Stephen Hebert

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USW/Allied Oil Workers must file their delinquent LM-3 for fiscal year ending December 31, 2008. The delinquent Form LM-3 should be submitted to this office at the above address as soon as possible, but no later than October 2, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to USW/Allied Oil Workers 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: Mr. T.J. Navarre, President