

U.S. Department of Labor  
Office of Labor-Management Standards  
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June 10, 2010

Mr. Carlton Ferguson, Business Manager/Financial-Secretary  
Treasurer  
Boilermaker's Lodge 199  
8374 Devoe Street  
Jacksonville, FL 32220

Case Number: |||||  
LM Number: 508893

Dear Mr. Ferguson:

This office has recently completed an audit of Boilermaker's Lodge 199 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 June 7, 2010, 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.

#### Reporting 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 Lodge 199's 2008 records revealed the following recordkeeping violations:

Lodge 199 did not retain adequate documentation for disbursement made to vendors in three instances. The union must maintain records in support of all payments 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. Additionally, OLMS found that Lodge 199 did not require gas card holders to maintain receipts for their gas purchases. During the exit interview, I identified the type of information and documentation that the local must maintain for all disbursements.

The audit also 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. The audit revealed that Lodge 199's officers and employees were not bonded for the minimum amount required at the time of the audit. Upon learning you were under bonded, you immediately contacted your bonding company and increased your coverage to meet the minimum LMRDA standards and provided proof of the increase in coverage.

I want to extend my personal appreciation to Boilermaker's Lodge 199 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,

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Investigator

cc: Mr. Ronald Ford, President