



December 30, 2010

Mr. Earl Beahr, Secretary-Treasurer
UTU Local 145
2851 Darlington West Road
Bellville, OH 44813

Case Number: [REDACTED]
LM Number: 010-469

Dear Mr. Beahr:

This office has recently completed an audit of UTU Local 145 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 LCA Chairman George Bilderback on December 29, 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.

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 145's 2009 records revealed the following recordkeeping violations:

1. Accuracy of Union Financial Records

Due to checks issued that never cleared the bank and not accounted for in the union's books, entries in Local 145's checkbook register & balance do not accurately reflect the running balance and the total end of year balance of the union's assets. To satisfy the LMRDA recordkeeping requirement the union must keep on hand all financial records and an accurate accounting of all account balances so that all union expenses and receipts can be verified, explained, and clarified.

2. Failure to Record Receipts

Local 145 did not record in its receipts records some employer dues checkoff checks. For example, on August 25, 2009, a \$1,000 deposit of membership dues was not recorded in the union's records. In addition, Local 145 failed to maintain records of receipts and deposits such as deposit slips. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. General Reimbursed Expenses

Local 145 did not retain adequate documentation for reimbursed expenses incurred by the Local Committee of Adjustment Chairman. For example, the secretary-treasurer did not have supporting documentation for phone bills for which the Local Committee of Adjustment Chairman received partial reimbursement from Local 145. The Local Committee of Adjustment Chairman provided OLMS with the supporting documentation.

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. It is not the responsibility of the Local Committee of Adjustment Chairman to maintain these records.

Based on your assurance that Local 145 will retain accurate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed violations of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The union was deficient in reporting duties in the following areas:

1. Failure to File Labor Organization Annual Reports

Local 145 failed to file Labor Organization Annual Report Form LM-3 for fiscal years ending December 31, 2008, and December 31, 2009. These reports must be submitted yearly to OLMS within 90 days of the union's fiscal year ending date.

Per our discussion during the exit interview, Local 145 had mailed both reports to the OLMS, but they were not received. Local 145 has now filed a copy of its 2008 Labor Organization Annual Report Form LM-3, but its Form LM-3 report for fiscal year ending December 31, 2009, must be submitted to this office at the above address as soon as possible, but not later than January 7, 2011. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

2. 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. Local 145 amended its constitution and bylaws in 2009, but did not file a copy with its LM report for that year.

Local 145 has now filed a copy of its bylaws and agreed to submit to OLMS any subsequent amended bylaws.

Other Issues

The audit disclosed the following other issue:

Timely Deposit of Receipts

During the audit it was revealed that deposits of receipts into the union's checking account were not done in a timely fashion. For example, in July 2009 a number of dues checks from the international union were deposited into the Local 145 checking account which required time waivers from the international union because the checks were already void from not being deposited within 60 days of their issuance dates.

Per our discussion during the exit interview, Local 145 will deposit receipts in a more timely fashion.

I want to extend my personal appreciation to UTU Local 145 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. Douglas Myers, President