

**U.S. Department of Labor**

Office of Labor-Management Standards  
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March 4, 2010

Ms. Brenda Thorngate, Financial Secretary  
Bakery, Tobacco & Grain AFL-CIO  
Local 2  
481 G C and P Road  
Wheeling, WV 26003-1609

LM File Number 036-345  
Case Number: [REDACTED]

Dear Ms. Thorngate:

This office has recently completed an audit of Bakery, Tobacco & Grain Local 2 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 March 3, 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 2's 2009 records revealed the following recordkeeping violations:

#### Receipt Dates not Recorded

Entries in Local 2's check stubs reflect the date the union recorded dues deposits, 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.

Based on your assurance that Local 2 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(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 filed by Local 2 for fiscal year ending December 31, 2008, was deficient in the following area:

#### 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 2 last filed bylaws with OLMS on March 7, 1996. Local 2's bylaws have since been amended; however, local officers are unsure of when the bylaw amendments occurred because the bylaws are not dated. Local 2 failed to file a copy of these amended bylaws with OLMS.

Local 2 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Bakery, Tobacco & Grain Local 2 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: Michael Siebieda, President