



March 28, 2011

Mr. A. E. Boatwright, Acting President
ILA Local 1765
6025 Chippewa St
Suite 301
St. Louis, MO 63109-2114

Case Number: [REDACTED]
LM Number: 009437

Dear Mr. Boatwright:

This office has recently completed an audit of ILA Local 1765 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 Office Secretary Jill Chadbourne on February 11, 2011, 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

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 1765 for the fiscal year ended December 31, 2009, was deficient in that:

Disbursements to Officers (LM-3)

Local 1075 did not include some indirect disbursements made on behalf of its officers totaling at least \$3,166.16 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report most direct disbursements to Local 1765 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public

carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 1765 file an amended LM report for 2009 to correct the deficient items, but Local 1765 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to ILA Local 1765 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator

cc: Mr. Carlos Brown, Secretary-Treasurer