



November 10, 2011

Mr. Brian Glynn, President
Insulators Local 17
3850 S. Racine Ave.
Chicago, IL 60609

Case Number: [REDACTED]
LM Number: 009675

Dear Mr. Crinion:

This office has recently completed an audit of Insulators Local 17 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 Mr. Brian Glynn and you on November 9, 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.

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 17's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed, Credit Card, and PAC Expenses

Local 17 did not retain adequate documentation for general reimbursed and credit card expenses incurred by union officers totaling at least \$14,000.00. For example, the union did not have any supporting documentation for disbursements on check # [REDACTED] to President Brian Glynn for \$1550.92 and check # [REDACTED] to MasterCard for expenses at Home Depot in the amount of \$2062.84. In addition, Local 17 did not maintain any supporting documentation for disbursements from the union's PAC Fund totaling at least \$40,000.00, including a disbursement on check # [REDACTED] for \$3500.00 to Citizens for Edward Acevedo and a disbursement on check # [REDACTED] for \$1000.00 to Citizens for Moreno.

As noted above, labor organizations must retain original receipts, bills, vouchers, or other supporting documentation 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. PAC Disbursements Not Recorded in Meeting Minutes

The minutes of the union meetings do not contain any references to approve disbursements from the union's PAC Fund. Article XXI of the union's Constitution and Bylaws requires all disbursements of local union funds to be authorized by motion of the local union. Minutes of the membership or executive board meetings must report any disbursement authorizations as required by the Constitution and Bylaws.

Based on your assurance that Local 17 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Insulators Local 17 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,

[REDACTED]
Investigator

cc: Mr. Brian Glynn, President