



November 30, 2012

Mr. Chico Humes, President
Graphic Communications IBT Local 6505
105 Progress Parkway
Maryland Heights, MO 63043-3001

Case Number: [REDACTED]
LM Number: 064088

Dear Mr. Humes:

This office has recently completed an audit of Graphics Communications IBT Local 6505 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 Treasurer Michael Congemi on June 21, 2012, 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 Local 6505's 2011 records revealed the following recordkeeping violations:

1. General Expenses and Credit Card Expenses

Local 6505 did not retain adequate documentation for expenses charged on the local's credit card by the president totaling at least \$673.52. For example, the local did not maintain a receipt for a \$58.77 charge on April 30, 2011, to Q.T.; a \$5.97 charge on June 9, 2011, to McDonalds; a \$346.38 charge on June 16, 2012, to Target; a \$52.57 charge on

Mr. William Tate
November 30, 2012
Page 2 of 2

June 18, 2011, to Q.T.; a \$90.73 charge on June 20, 2011, to U-Haul; a \$60.08 charge on June 20, 2011, to U-Haul; and a \$59.02 charge on September 9, 2012, to Enterprise.

Local 6505 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the local totaling at least \$2,682.76. Sufficiently itemized receipts were not kept. To site some examples, the local did not maintain itemized receipts for a \$102.00 charge at Rigazzis restaurant on May 27, 2011; a \$91.55 charge to Maryland Yards on June 15, 2011; and a \$53.85 charge at Poor Richards restaurant on July, 2011.

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.

Based on your assurance that Local 6505 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 Local 6505 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