



February 26, 2013

Mr. Matthew T. Butler, President  
Elevator Constructors Local 59  
2163 Berryhill Street  
Harrisburg, PA 17104

Case Number: 140-11126 [REDACTED]  
LM Number: 011014

Dear Mr. Shafer:

This office has recently completed an audit of Elevator Constructors Local 59 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 Business Manager Donald E. Shafer on February 21, 2013, 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 Violation

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 59 for the fiscal year ending December 31, 2011, was deficient in the following area:

#### Disbursement to Officers

Local 59 did not include some reimbursements to Business Manager Donald Shafer totaling at least \$11,031.63 in Item 24(E) (All Officers and Disbursements to Officers) (Allowances and Other Disbursements). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses) and/or Item 54 (Other Disbursements).

Item 24(E) (All Officers and Disbursements to Officers) (Allowances and Other Disbursements) indicates Financial Secretary Michael Raudenbush and Recording Secretary Frank Kerlin each received \$2670 in allowances or other disbursements. During the OIQ Business Manager Donald Shafer advised OLMS the financial secretary and recording secretary are paid a salary equivalent to the required dues payments. These salary payments were erroneously reported in Section (E) of Item 24. They should have been reported in Section (D) (Gross Salary (before taxes and other deductions)) of Item 24.

Item 24(E) (All Officers and Disbursements to Officers) (Allowances and Other Disbursements) indicates President Matthew Butler and Vice-President Jack Durange each received \$200 in

allowances or other disbursements. During the OIQ Business Manager Donald Shafer advised OLMS these payments were for their duties as union officers during each quarter of 2011. These salary payments were erroneously reported in Section (E) of Item 24. They should have been reported in Section (D) of Item 24.

I am not requiring that Local 59 file an amended LM report for 2011 to correct the deficient items, but Local 59 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Elevator Constructors Local 59 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 black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Donald E. Shafer, Business Manager