



September 30, 2013

Mr. Christopher Lang III, President  
Graphic Communications, IBT, Local 24M  
1825 BLVD of the Allies  
Pittsburgh, PA 15219

Case Number: 150-10408 [REDACTED]  
LM Number: 025785

Dear Mr. Lang III:

This office has recently completed an audit of Graphic Communications, IBT, Local 24M 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 Manager Bridget Fink on September 30, 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.

#### 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 24M's 2012 records revealed the following recordkeeping violations:

#### 1. General Reimbursed Expenses

Local 24M did not retain adequate documentation for reimbursed expenses incurred by President Lang totaling at least \$58.64. For example, President Lang was missing \$20.86 in meal receipts for the reimbursement he received February 14, 2012.

As 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.

2. Salary in Lieu of Vacation and Vacation Records

Local 24M had a practice of paying the president and/or the office manager a week of salary in lieu of a week of vacation that was not adequately supported with proper documentation.

Title II of the LMRDA requires a union to maintain records documenting salary payments. These records should include documentation that the payment was authorized by the union. The documentation may be in the form of an annual salary authorization in the minutes of a local union, in the minutes of an executive board meeting, or, in some cases, in the union by-laws. Some unions may provide some or all union officials with paid sick leave, paid vacation and/or paid holidays. Authorization for these payments must be documented in the same fashion as salary payments. Records of vacation time earned and used must be maintained. OLMS does not recommend any particular form for authorizing these payments, but advises that under Title II of the LMRDA, the salary and paid leave authorizations must be documented.

Based on your assurance that Local 24M 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 24M for the fiscal year ended December 31, 2012, was deficient in the following areas:

1. Disbursements to Officers

Local 24M did not include some reimbursements to officers totaling at least \$48.00 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 24M 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).

2. 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 24M amended its constitution and bylaws in 2011, but did not file a copy with its LM report for that year.

Local 24M has now filed a copy of its constitution and bylaws.

I am not requiring that Local 24M file an amended LM report for 2012 to correct the deficient items, but Local 24 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

The audit disclosed the following other issue:

Use of Signature Stamp

During the audit, President Lang advised that it is Local 24M's practice to occasionally use a signature stamp for one signature on union checks. Article III of Local 24M's constitution and bylaws requires that checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 24M review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Graphic Communications, IBT, Local 24M 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