

U.S. Department of Labor

Office of Labor-Management Standards
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August 27, 2014

Mr. Shaun Foyle, Treasurer
Stage & Picture Operators, AFL-CIO
Local 3
Post Office Box 352
Pittsburgh, PA 15230

Case Number: 140-6002446 [REDACTED]
LM Number: 044939

Dear Mr. Foyle:

This office has recently completed an audit of Stage & Picture Operators, AFL-CIO, Local 3 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 on August 27, 2014, 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 3's 2013 records revealed the following recordkeeping violation:

Meal Expenses

Local 3 did not require officers to submit itemized receipts for meal expenses totaling at least \$179.58. The union must maintain itemized receipts provided by restaurants to officers and

employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

The audit did find that Local 3 records of meal expenses did include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. Local 3 records of meal expenses included written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained identified the names of the restaurants where the officers or employees incurred meal expenses.

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.

Based on your assurance that Local 3 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its constitution and bylaws with its LM report when the bylaws are established or when the union makes changes to its constitution or bylaws. Local 3 was deficient in the following area:

Local 3 established bylaws for the IATSE Local 3 payroll account subsidiary organization but it does not appear the bylaws were ever filed with the Department of Labor. Local 3 provided a copy of their bylaws during the compliance audit.

Other Issue:

Use of Signature Stamp

During the audit, you advised that as union treasurer you use a signature stamp to sign the checks both for yourself and the president. You indicated that no one but yourself reviews the checks before they are issued. You also reported that both you and President Olinger are signatories on the union's accounts. Having two signatures 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 3 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Stage & Picture Operators, AFL-CIO, Local 3 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. Robert Olinger, President