



August 19, 2014

Joe Reser, Secretary-Treasurer  
UTU Local 145  
8864 Sunart Ct. N  
Dublin, OH 43017-8335

Case Number: 350-6001062( )  
LM Number: 010469

Dear Joe Reser:

This office has recently completed an audit of UTU Local 145 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 July 9, 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.

#### 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 145's 2013 records revealed the following recordkeeping violation:

Though some receipts were found in the union record, not all reimbursements to officers were supported by expense receipts. Receipts need to be maintained in the union record in order to adequately document expense reimbursements, such as office supplies or refreshments purchases.

Based on your assurance that Local 145 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Other Issues

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, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. It is understood that the signatories of the union's checking account are not co-located, making it impractical to always acquire two signatures at the time of the disbursement. OLMS recommends that Local 145 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to UTU Local 145 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

cc: Doug Myers, President