



February 26, 2014

Ms. Holly Serfass, Secretary Treasurer  
IATSE LU 331  
PO Box 424  
Killeen, TX 76541

Case Number: 420-6000142  
LM Number: 027305

Dear Ms. Serfass:

This office has recently completed an audit of IATSE LU 331 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, President Mike Bartoszek and Business Agent William Sproul on February 18, 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 331's 2012 records revealed the following recordkeeping violations:

#### 1. Failure to Record Receipts

Local 331 did not record in its receipts records five receipts totaling \$1,272.00. Union receipts records must include an adequate identification of all money the union

receives. The records should show the date and amount received, and the source of the money. You stated that the union will record all receipts.

## 2. General Reimbursed Expenses

Local 331 did not retain adequate documentation for reimbursed expenses incurred by you in the amount of \$124.00 for check # [REDACTED] and check [REDACTED] in the amount of \$341.00 for William Sproul.

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 Union 331 will retain adequate documentations in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### 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 LM-3 filed by Local 331 for the fiscal year ended December 31, 2012 was deficient in the following area:

#### Disbursements to Officers

Local 331 did not include some disbursements to all officers totaling at least \$8,010.80 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 46. The union must report most direct disbursements to Local 331 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).

Local 331 must file an amended Form LM-3 for the fiscal year ended December 31, 2012, to correct the deficient items discussed above. I encourage Local 331 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no

later than March 10, 2014 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to IATSE LU 331 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 solid black rectangular box used to redact the signature of the investigator.

Investigator

cc: Mr. Mike Bartoszek, President  
Mr. Gerald Howard, Vice President  
Mr. William Sproul, Business Agent