



April 29, 2015

Mr. Richard Humphreys, Treasurer
Stage & Picture Operators, Local 64
34 Cromwell Street
Wheeling, WV 26003

Case Number: 140-6003045()
LM Number: 028832

Dear Mr. Humphreys:

This office has recently completed an audit of Stage & Picture Operators, Local 64 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 April 10, 2015, 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.

Recordingkeeping 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 64's 2013 records revealed the following recordkeeping violations:

1. Failure to Record Receipts
Local 64 did not properly record receipt payments received from employer dues checks and member payments in their receipts journal. The union also did not record interest received from their savings account and certificate of deposit. Finally, the union also failed to properly identify the source of money the union received. For example, member due

payments were deposited without adequate record of which members were making the payments. Union receipt 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.

2. Failure to Maintain Receipt Records

Local Union 64 also failed to maintain all deposit records for receipts placed into their checking account.

3. Reimbursed Expenses to Officers and Members

Local 64 did not retain adequate documentation for reimbursed expenses for officers and members. For example, during the audit year, Business Manager Frank Scarnechia was reimbursed \$151.83 for expenses related the union's picnic but the union did not retain documentation.

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 64 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 64 for the fiscal year ended December 31, 2013 was deficient in the following area:

Item 55 of the LM-3 report for the fiscal year ending December 31, 2013 incorrectly states the union had disbursements of \$5,050 during 2013. Bank records indicate \$9,472.28 was disbursed.

Local 64 must file an amended Form LM report for the fiscal year ended December 31, 2013 to correct the deficient item discussed above. I encourage Local 64 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at 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 report should be filed electronically no later than April 24, 2015 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.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 64's officers are currently bonded for \$2,500, but they must be bonded for at least \$3,134.78. Local 64 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 24, 2015.

I want to extend my personal appreciation to Stage & Picture Operators, Local 64 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: Mr. Frank Scarnechia, Business Agent
Mr. Keith Loeffler, Recording Secretary