

U.S. Department of Labor

Office of Labor-Management Standards
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January 16, 2015

Mr. Zach Powell, President
IAM Local Lodge 1391
P.O. Box 3911
Lawrenceburg, IN 47025

Case Number: 350-6002975 [REDACTED]
LM Number: 032749

Dear Mr. Powell:

This office has recently completed an audit of IAM Local Lodge 1391 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 Secretary-Treasurer George Ross and Grand Lodge Auditor [REDACTED] on January 15, 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.

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 1391's 2013 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 1391 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$165.00. For example, missing supporting documents for officer/employee pay for checks 5272 through 5279 issued to eight (8) members.

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. Rental Expenses

Local 1391 did not retain adequate documentation for rental expenses incurred by the local for the Tower Self-Storage unit totaling \$325.00 and the meeting room rented from Dearborn Adult Center totaling \$1,200.00.

3. Failure to Record Receipts

Local 1391 did not record in its receipts records names of members who paid dues directly to stewards totaling at least \$3,406.96. 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.

Based on your assurance that Local 1391 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to IAM Local Lodge 1391 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. George Ross, Secretary-Treasurer