

U.S. Department of Labor

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June 6, 2016

Mr. Jeff Housworth, Business Manager
Plumbers AFL-CIO Local 72
374 Maynard Terrace SE
Atlanta, GA 30316

Case Number: 410-6000417 [REDACTED]
LM Number: 001752

Dear Mr. Housworth:

This office has recently completed an audit of Plumbers AFL-CIO Local 72 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, Secretary-Treasurer Terry Newsome, and Harris Hutto, Certified Public Accountant, Dennis Jenkins, CPA, LLC on April 26, 2016, 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 72's 2015 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit, Secretary-Treasurer Terry Newsome advised OLMS that he and four full-time organizers receive an auto allowance of \$200 per week for use of their private vehicle to conduct union business, in addition to having use of a union-issued gas credit card.

Newsome was not able to locate or provide any documentation in prior or current membership meeting minutes in which the weekly allowance was authorized by the membership. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings. Newsome began serving in his position in January 2015 and he advised OLMS that the allowance is a past practice.

Article XII, Section 2, of the Plumbers Local 72 Constitution, states officers and members conducting business requiring automobile travel shall be reimbursed for mileage at the current IRS standard mileage rate. It was recommended by OLMS that the gas credit card and weekly auto allowance be an agenda item presented to the membership for discussion and a vote to approve one or the other allowance.

Based on your assurance that Local 72 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-2) filed by Local 72 for the fiscal year ended June 30, 2015, was deficient in the following area:

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 72 amended its constitution and bylaws in 2013, but did not file a copy with its LM report for that year. Local 72 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Plumbers AFL-CIO Local 72 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