



April 14, 2016

Ms. Brenda Sollars, President
Association of Diagnostic Imaging Technologists
2351 180th Avenue NW
Andover, MN 55304

Case Number: 320-6006295 [REDACTED]
LM Number: 066125

Dear Ms. Sollars:

This office has recently completed an audit of the Association of Diagnostic Imaging Technologists (ADIT) 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 and Treasurer Jinger Stene on February 16, 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 the ADIT's 2014 records revealed the following recordkeeping violations:

1. General Fund and Credit Card Expenses

The ADIT did not retain adequate documentation for a general fund expense and credit card expenses incurred by President Brenda Sollars totaling at least \$10,326. For example, no supporting documentation was found in the union's records for an \$8,312.19 legal fee paid to MCM Attorneys at Law on January 11, 2014. During the audit, a copy of the invoice was obtained and provided to OLMS. As another example, the union authorized you to charge your Verizon Wireless cell phone bill to the union's credit card each month. In support of the monthly payments, a copy of an email from Verizon to you stating the bill was ready to be paid was kept for the union's records; however, the document is not sufficient in that it doesn't provide an adequate description of what the union was paying for.

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. Meal Expenses

The ADIT did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$348. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

The ADIT records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, you charged \$168.44 at Adventures Restaurant in Virginia, MN on July 29, 2014. No receipt was found in support of the payment and none of the union's records identified the purpose for the meal expense or the names and titles of those present for the meal. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that ADIT will retain adequate documentation 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 (Form LM-3) filed by ADIT for the fiscal year ended December 31, 2014, was deficient in that:

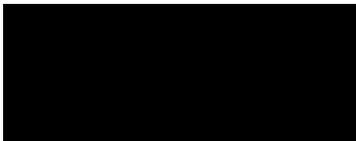
Disbursements to Officers

The ADIT did not include some reimbursements to you and other officers for meal expenses totaling at least \$723 that were charged on the union's credit card in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses).

The union must report most direct disbursements to ADIT 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 for room rent only) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48.

I want to extend my personal appreciation to the Association of Diagnostic Imaging Technologists 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: Ms. Jinger Stene, Treasurer
Cory M. Parnell, CPA