



October 18, 2016

Mr. Michael Myles, Treasurer
Pulp and Paper Workers Local 657
1400 Coleman Ave. Suite C-17-R
Santa Clara, CA 95050

Case Number: 530-6009008
LM Number: 062749

Dear Mr. Myles:

This office has recently completed an audit of Pulp and Paper Workers Local 657 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 October 17, 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 657's 2015 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 657 did not retain adequate documentation for reimbursed and credit card expenses incurred by President Perry and Treasurer Myles totaling at least \$570. For example, Perry was reimbursed \$120 for internet services but there was no receipt to substantiate the reimbursement. The receipt was subsequently reproduced. Myles was reimbursed \$454.84 for software and refreshments but there was no receipt to substantiate the reimbursement. 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. Dues Check-off Reports

The local failed to maintain dues check-off reports generated by the employer. Dues check-off reports are required to be maintained in order to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3.

Based on your assurance that Local 657 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 657 for fiscal year ending December 31, 2013, 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 657 amended its constitution and bylaws in 2013, but did not file a copy with its LM report for that year. Local 657 has provided a copy of its 2013 constitution and bylaws.

I am not requiring that Local 657 file an amended LM report for 2013 to correct the deficient items, but Local 657 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Pulp and Paper Workers Local 657 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,


Senior Investigator