



March 6, 2017

Mrs. Lula Binns, Treasurer  
Machinists Lodge 921  
7600 Enmar Drive  
Little Rock, AR 72209-3510

Case Number: 420-6009034  
LM Number: 026324

Dear Mrs. Binns:

This office has recently completed an audit of Machinists Lodge 921 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 Machinists Grand Lodge Auditor Bryan Pinette on March 1, 2017, the following problem was disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Recordkeeping Violation

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 Lodge 921's 2015 records revealed the following recordkeeping violation:

General Reimbursed Expenses

Lodge 921 did not retain adequate documentation for reimbursed expenses incurred by Treasurer Lula Binns and Secretary Diania Hall totaling \$779.35 for mileage and hotel rooms while traveling to conventions and/or trainings.

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.

I want to extend my personal appreciation to Machinists Lodge 921 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 redaction box covering the signature of the investigator.

Investigator

cc: Mrs. Doris Ellis, President