



March 22, 2017

Mr. Clyff Curry, Business Manager  
Plumbers LU 529  
510 Crescent St  
Waco, TX 76705

Case Number: 420-6007516  
LM Number: 038145

Dear Mr. Curry:

This office has recently completed an audit of Plumbers LU 529 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, Recording Secretary Dennis Stokes, Executive Board Member Gilbert Elizondo, Finance Committee Member Christopher Magana, and President Donald Masten on February 2, 2017, 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 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 Local 529's 2015 records revealed the following recordkeeping violation:

Disposition of Property

Local 529 did not maintain an inventory of t-shirts, stickers, and other promotional items from Doss Sales Company which was donated and given away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28 / Item 30.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

The union has agreed to maintain adequate records for all items purchased and given away.

Based on your assurance that Local 529 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 529 for the fiscal year ended December 31, 2015, was deficient in the following areas:

1. Disbursements to American Express

The union recorded all disbursements totaling \$11,118.48 using the union's credit card on Schedule 18 under the name "American Express." The union must record disbursements to the vendor that received the initial payment.

2. Disbursements to Officers and Employees (LM-2)

Local 529 did not include a reimbursement to Don Masten totaling \$80.00 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of

Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

### 3. 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 529 amended its constitution and bylaws in October 2014, but did not file a copy with its LM report for that year.

As agreed, Local 529 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than April 15, 2017.

Plumbers Local 529 has filed an acceptable amended Form LM-2 for the fiscal year ended December 31, 2015, which corrected the deficient item discussed above.

### Other Issue

#### Failure to Maintain a Book Balance

It is recommended the union maintain at least one union record which contains the book balance, receipts, and disbursements. The union stated they were in the process of developing a computerized general ledger to record all union financial transactions.

I want to extend my personal appreciation to Plumbers LU 529 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. Donald Masten, President  
Mr. Jayme Rigby, Vice President  
Mr. Dennis Stokes, Recording Secretary  
Mr. Ronnie MacDaniels, Finance Committee  
Mr. Christopher Magana, Finance Committee  
Mr. Fred McMurtry, Finance Committee  
Mr. Phillip Beaulieu, Inside Guard  
Mr. Christopher Slaughter, Executive Board Member

Mr. Melvin Horton, Executive Board Member  
Mr. Charles Curry, Executive Board Member  
Mr. Gilbert Elizondo, Executive Board Member