



December 27, 2018

Mr. George Letz, President  
Graphic Communications IBT LU 227C  
501 Burlington Ave  
Billings, MT 59101

Case Number: 510-6012526 [REDACTED]  
LM Number: 031344

Dear Mr. Letz:

This office has recently completed an audit of Graphic Communications IBT LU 227C 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 November 15, 2018, 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 227's 2018 records revealed the following recordkeeping violation:

#### Lack of Salary Authorization

During the audit, you advised OLMS that your dues are paid by the local and, as the president, you are authorized a salary of \$50.00 per month. Local 227 did not maintain records to verify that your salary was the authorized amount. The union must keep a record, such as meeting

minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 227 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-4 for fiscal years 2017 and 2018 were not filed by Local 227 and long overdue.

The law requires the president and treasurer or corresponding principal officers of each labor organization to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of its fiscal year.

Local 227 has now filed the Labor Organization Annual Report Form LM-4 for fiscal years 2017 and 2018.

#### Other Violations

The audit disclosed the following other violations:

##### 1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 227's officers and employees are not bonded, but they must be bonded for at least \$1,057.67. Based on your assurance that Local 227 will obtain adequate bonding coverage for its officers and employees, OLMS will take no further enforcement action at this time regarding this issue.

##### 2. Elections

The audit revealed that the union failed to hold its last regular election of officers within the maximum time frames specified by the LMRDA, in violation of 29 U.S.C. 481(b).

The LMRDA, establishes democratic standards for conducting regular elections of union officers and delegates who elect officers. These standards require use of a secret ballot, reasonable opportunity to nominate candidates and vote, mailed notice of election, and other safeguards to ensure a fair election. The LMRDA requires local unions to hold officers elections at least every three years.

I want to extend my personal appreciation to Graphic Communications IBT LU 227C 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 large black rectangular redaction box covers the signature area, obscuring the name and any handwritten notes.

Senior Investigator