

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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July 10, 2008

Mr. Rick Scofield, Secretary-Treasurer
Fire Fighters AFL-CIO
Iowa State Association
2885 24th Avenue
Marion, IA 52302

LM File Number 543-174
Case Number: [REDACTED]

Dear Mr. Scofield:

This office has recently completed an audit of Fire Fighters Iowa State Association 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 May 16, 2008, 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 Fire Fighters Iowa State Association's 2007 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Fire Fighters Iowa State Association did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Jack Reed or Rick Scofield. Reed and Scofield traveled extensively in their positions on the executive board of Fire Fighters Iowa State Association. Airfare, hotel charges, meals, etc. expenses they incurred did not have receipts to verify reimbursed credit card expenses.

As previously 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.

Based on your assurance that Fire Fighters Iowa State Association 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 LM-3 filed by Fire Fighters Iowa State Association for fiscal year ending December 31, 2007 was deficient in that it did not file the correct LM form. Labor Organizations with receipts over \$250,000 must file an LM-2 form.

Fire Fighters Iowa State Association must file an amended Form LM-2 for fiscal year ending December 31, 2007 to correct the deficient items discussed above. I explained to you the filing procedures and the availability of filing software on the OLMS website

(www.olms.dol.gov). The amended Form LM-2 must be electronically filed as soon as possible. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

Other Violations

The audit disclosed the following other violation(s):

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.

Fire Fighters Iowa State Association's officers and employees are currently bonded for \$60,000, but they must be bonded for at least \$74,887.54. Fire Fighters Iowa State Association should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible.

I want to extend my personal appreciation to Fire Fighters Iowa State Association 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: Jack Reed, President