

U.S. Department of Labor

Employment Standards Administration
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June 4, 2008

Mr. Earl Jennings, Business Manager/Financial Secretary
Plumbers Local Union 246
1303 North Rabe Avenue
Fresno, CA 93727

LM File Number: 047-775
Case Number: [REDACTED]

Dear Mr. Jennings:

This office has recently completed an audit of Plumbers Local Union 246 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 30, 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 Local 246's 2007 records revealed the following recordkeeping violation:

1. General Reimbursed and Credit Card Expenses

Local 246 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Mr. Jennings and other officers totaling at least \$3,900 in May 2007. For example, no hotel receipts were maintained to support four separate credit card charges in May 2007 for hotel charges. Receipts were also missing for gas charged on a union credit card.

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 Local 246 will retain adequate documentation in the future and measures taken to obtain some of the missing receipts, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

1. LM Report Signatures

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 246 for fiscal year ending December 31, 2007, was deficient in that the report was only signed by Business Manager/Financial Secretary Jennings. The report must be signed by two principal officers.

2. 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 and bylaws. Local 246 amended its constitution and bylaws in 2007 as well as in previous years, but did not file a copy with its LM report for 2007 or in previous years.

As agreed, Local 246 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than June 30, 2008 and all future LM reports shall contain the signature of two principal officers.

I want to extend my personal appreciation to Plumbers Local Union 246 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 box redacting the signature of the investigator.

Investigator

cc: Mr. Keith Flores, President