

U.S. Department of Labor

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December 4, 2008

Mr. Greg Foshe, Business Manager
Plumbers AFL-CIO
Local 33
2501 Bell Avenue
Des Moines, IA 50321

LM File Number 026-728
Case Number: [REDACTED]

Dear Mr. Foshe:

This office has recently completed an audit of Plumbers Local 33 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 Bob Henry on November 14, 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 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 33's 2007 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Local 33 did not retain adequate documentation for credit card expenses incurred by some of the union officers. Officers failed to maintain all of the receipts from gasoline purchases made with the union credit card. On a few occasions, receipts for small meals paid with the union credit card were not maintained.

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 33 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-2 filed by Local 33 for fiscal year ending December 31, 2007 was deficient in that it reported the value of automobiles given away to officers as a salary payment to them in Schedule 11.

Items Given Away Shown as Receipts and Disbursements

Local 33 voted to allow Former Business Manager Tom Gillespie and Former Business Representative Jeff Turner to keep their union car as a retirement present. Local 33 correctly answered "yes" on question 15, stating that they disposed of assets in a manner other than sale and properly listed the assets in item 69. The local also listed the value of the two cars as a receipt on line 47 (From Members for Disbursement on Their Behalf) and as a disbursement to the officers next to their name in Schedule 11. The value of the cars should not have been shown as a receipt or disbursement; therefore, both figures were inflated by approximately \$50,000.

I am not requiring that Local 33 file an amended LM report for 2007 to correct the deficient item, but Local 33 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Plumbers Local 33 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,

[REDACTED]

Investigator

cc: Dave Owen, President

[REDACTED]

Ed Sullivan, Business Representative
1101 NE Banbury Road
Ankeny, IA 50021

[REDACTED]

[REDACTED]