

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Kansas City Resident Investigative Office
1100 Main Street, Suite 950
Kansas City, Missouri 64105-5143
Telephone: 816/502-0290 Fax: 816/502-0288



December 14, 2005

Mr. Jeffrey Anderson, Treasurer
Sheet Metal Workers Local 3
3333 South 24th Street
Omaha, NE 68108-1852

Dear Mr. Anderson:

This office has recently completed an audit of Local 3 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 December 6, 2005, the following was 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The CAP revealed that the local did not maintain backup documents for two disbursements made by the local during the audit period. The date, amount, and business purpose of every expense must be recorded on at least one union record.

In addition, your local did not maintain vacation records. Vacation records are considered required records and should be maintained for five years.

As agreed, provided that Local 3 maintains adequate documentation for its disbursements records in the future, no additional action will be taken regarding this violation.

The CAP also disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. A copy of the local's most recent constitution and bylaws was not filed with the Department of Labor.

Two copies of Local 3's constitution and bylaws were obtained during the audit. Therefore, this matter has been resolved.

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. The local's officers are currently bonded for \$125,000. They must be bonded for at least \$249,059.90. The union should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as adequate coverage has been obtained.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please contact me or any other representative of our office.

Sincerely,

Dennis L. Eckert
District Director

By 
Investigator