

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
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May 27, 2005

Roger Morris
Machinists, AFL-CIO
LG 1580
134 South Main Street
Wellsville, NY 14895

RE: 2

Dear Mr. Morris:

This office has recently completed an audit of Machinists Local Lodge 1805, under the Compliance Audit Program (CAP) to determine compliance with provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you on May 24, 2005, 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.

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 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 following record keeping deficiencies were revealed during the audit of Machinists Local Lodge 1580's 2004 records:

The majority of receipts were attached to the vouchers and statements; however a couple of receipts and bills were not retained. Hotel receipts were not maintained for the state convention in Albany charged to the union credit card. Also a receipt for a purchase made at radio shack charged to the credit card was not maintained.

As agreed, provided that Machinists Local Lodge 1580 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this

violation. The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 1580's LM report.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local Lodge 1580 for fiscal year ending December 31, 2004 was deficient in the following areas:

Some areas on the LM-3 report were not completed fully:

- a. Item number 23 (a) should include a minimum and maximum rate for the dues of the local.
- b. The vice president signed the report. If the report is signed by an officer other than the president or treasurer, the LM-3 instructions state that the correct title be entered in Item 57 or 58, and an explanation should be provided in Item 56 why the president or treasurer did not sign the report.
- c. In Item 24, all officers should be reported, including trustees. "officer" is defined in section 3(n) of the LMRDA as "any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body."

I am not requiring that Machinists Local Lodge 1580 file an amended LM-3 report for 2004 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to future officers of Local Lodge 1580 at whatever time you may leave office.

I want to thank you and Jack Hecker for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

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Investigator

cc: Jack Hecker, Grand Lodge Auditor