



May 8, 2013

Mr. David Silcott, Financial Secretary
Boilermakers Lodge 357

Case Number: 350-02406 [REDACTED]
LM Number: 014795

Dear Mr. Silcott:

This office has recently completed an audit of Boilermakers Lodge 357 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 April 4, 2013, 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 Lodge 357's 2012 records revealed the following recordkeeping violation:

1. Required Union Records

Lodge 357 did not retain adequate documentation for all of its bank accounts. There were missing bank statements for the certificate of deposit and the money market fund. The missing statements were obtained from the bank during the audit and are currently on file in the union's records.

Based on your assurance that Lodge 357 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

1. 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 or bylaws. Lodge 357 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year.

Lodge 357 has now filed a copy of its constitution and bylaws.

Other Issues

1. Expense/Salary Policy

As I discussed during the exit interview with you, the audit revealed that Lodge 357 does not have a clear policy regarding salaries and reimbursed expenses. OLMS recommends that unions adopt written guidelines concerning such matters. Specifically, the union's bylaws state that officer dues are reimbursed; however during the opening interview officers told OLMS that officers are entitled to be paid at 2.5 hours per month in addition to receiving a salary or allowance. The bylaws should be updated to reflect this change.

2. Bank Deposits

The audit revealed that in some instances dues payments are not deposited to the union's accounts as soon as the funds are received. OLMS recommends that Lodge 357 deposit all funds to its accounts in a timely manner to avoid any potential problems from missing deposits etc.

Mr. David Silcott

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I want to extend my personal appreciation to Boilermakers Lodge 357 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: Mr. Wallace Grimmatt, Lodge 357 President