



August 28, 2015

Mr. Edwin Molina, President and Treasurer
Glass Molders Plastics, AFL CIO Local 221
3930 N. Spaulding Ave.
Chicago, IL 60618

Case Number: 310-6003690 [REDACTED]
LM Number: 062618

Dear Mr. Molina:

This office has recently completed an audit of Glass Molders Plastics, AFL CIO Local 221 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 August 25, 2015, 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 221's fiscal year end October 31, 2014 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 221 did not retain adequate documentation for reimbursed expenses incurred by former president [REDACTED] totaling at least \$390. Specifically, the union did not keep

adequate receipts to verify \$170 reimbursed [REDACTED] on by check # [REDACTED] dated November 27, 2013, \$120 reimbursed him by check [REDACTED] dated January 16, 2014, and \$100 reimbursed him on March 22, 2014 by check [REDACTED].

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.

2. Lost Wages

Local 221 did not retain adequate documentation for lost wage payments to the former local president [REDACTED] totaling at least \$292.20 and for reimbursement payments to you as the combined president and treasurer, which totaled \$644.40. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The local failed to maintain all membership meeting minutes, which the union advised was the record to reflect membership approval of expenses.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments* that contained a sample expense voucher that Local 221 may use to satisfy this requirement. The sample voucher identifies information and documentation that the local must maintain for lost wages.

3. Receipt Dates not Recorded

Entries in Local 221's check stub reflect the date the union deposited money, but not the date when the money was received.

Local 221 did not record in its receipts records when it received all employer dues checkoff checks totaling at least \$15,654. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

4. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership authorized all disbursements, including lost time paid to you and former president [REDACTED] to attend the membership meetings. The union failed to maintain minutes from November 2013, December 2013, January 2014, March 2014, April 2014, July 2014, August 2014, and October 2014. Minutes of all membership or executive board meetings that record membership approval of union disbursements must be retained.

The union maintained records regarding distribution of Jewel gift cards purchased on December 17, 2013 and then handed out to members. However, the union records indicate

purchasing 63 cards and union sign in sheets reflect 62 members received cards. The union records fail to verify what happened to the remaining card.

Based on your assurance that Local 221 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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-3) filed by Local 221 for the fiscal year ended October 31, 2014, was deficient in the following areas:

1. Acquire or dispose of any goods or property

Item 13, "Acquisition or Disposition of Assets," If Item 13 is answered "Yes," the union is to describe in Item 56 (Additional Information) the manner in which your organization acquired or disposed of assets, such as donating office furniture or equipment to charitable organizations, trading in assets, writing off a receivable, or giving away other tangible or intangible property of the labor organization. Include the type of asset, its value, and the identity of the recipient or donor, if any. Also report in Item 56 (Additional Information) the cost or other basis at which any acquired assets were entered on your organization's books or the cost or other basis at which any assets disposed of were carried on your organization's books.

Local 221 erroneously reported "yes" to Item 13 to report \$5,985 disbursed for Jewel gift cards that was distributed to members. The union is to report this distribution under Item 51, "Contributions, Gifts, and Grants."

2. Pay any employee salary, allowance and other expenses which, together with any payments from affiliates, totaled more than \$10,000.

Item 17 is to be reported as "yes" if any employee of your organization received more than \$10,000 in gross salaries, allowances, and other direct and indirect disbursements during the reporting period (direct and indirect disbursements are defined in the instructions for Item 24 [All Officers and Disbursements to Officers]). In computing the total, add together all disbursements made to each employee by your organization (including any subsidiary organization) and any affiliates. ("Affiliates" means labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relationship of parent and subordinate.)

A union erroneously reported "yes" under Item 17 and provided detail of payments to Treasurer and President Edwin Molina, which exceeded \$10,000 in salary and expenses. Because Mr. Molina is an officer, all direct and indirect payments to him are to be reported in Item 24, All Officers and Disbursements to Officers, next to his name.

3. Local 221 inaccurately reported the totals of direct and indirect disbursements to officers in Item 24 (All Officers and Disbursements to Officers). Specifically, it appears the salary reported under Item 24 for Edwin Molina in Column D of \$6,232 was over reported by \$461.04. The actual amount of salary and lost time paid to him, which totaled \$5,770.96. The union reported in in Column E under Molina was \$4,150, which was under-reported by \$409 the calculated amount of reimbursements, which totaled \$4,559.16.

I am not requiring Local 221 to file an amended LM report to correct the deficient items, but Local 221 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Glass Molders Plastics, AFL CIO Local 221 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