

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Cincinnati District Office  
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July 6, 2006

Ms. Tammy Owens, Secretary-Treasurer  
Machinists, AFL-CIO  
Local Lodge 2410  
3438 North 300 West  
Madison, IN 47250

Re: \_\_\_\_\_

Dear Ms. Owens:

This office has recently completed an audit of Machinists Local Lodge 2410 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 Senior Investigator \_\_\_\_\_ discussed during the exit interview with you, President Kenneth Thornton, and Machinists Auditor Robert Hamilton on July 5, 2006, 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.

The CAP 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 Lodge 2410 for the fiscal year ending December 31, 2004 was deficient in that the union failed to disclose the following liabilities in Statement A:

- Delinquent payroll taxes, penalties, and interest owed to the U.S. Internal Revenue Service and the Indiana Department of Revenue from previous years which should have been reported in Item 35(c), Other Liabilities at the Start of the Reporting Period
- Outstanding payroll taxes from fiscal year 2004 and any taxes, penalties, and interest still owed from previous years which should have been reported in Item 35(d), Other Liabilities at the End of the Reporting Period

Local Lodge 2410 has since paid the delinquencies; so, the liabilities no longer exist. Moreover, you and President Thornton agreed that Local Lodge 2410 will disclose unpaid tax liabilities, if they occur, on future reports filed with OLMS. Therefore, OLMS will not require Local Lodge 2410 to file an amended report for fiscal year 2004 at this time, but reserves the option to do so if necessary at a later date.

I want to extend my personal appreciation 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 by \_\_\_\_\_ are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Lesta A. Chandler  
District Director

cc: Robert Hamilton