

**U.S. Department of Labor**

Employment Standards Administration  
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January 22, 2008

Mr. Gary Newman, Secretary-Treasurer  
Machinists AFL-CIO  
Lodge 1345  
12365 St. Charles Rock Rd.  
Bridgeton, MO 63044

LM File Number 007-819  
Case Number: [REDACTED]

Dear Mr. Newman:

This office has recently completed an audit of Machinists Lodge 1345 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 January 14, 2008, 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.

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 Lodge 1345 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Cash Balance

Lodge 1345 failed to report all checking accounts as cash for the beginning and ending year balance. Lodge 1345 had a strike fund account containing approximately \$1,000 at the beginning of the year and approximately \$8,000 at the end of the fiscal year. Neither amount was listed in the cash balance.

2. Sale of Investments and Fixed Assets

Lodge 1345 sold \$8,500 in investments in March 2006. This amount was shown as a receipt on Line 43, "other receipts," in Statement B instead of "sale of investments and fixed assets" on Line 42.

I am not requiring that Lodge 1345 file an amended LM-3 report for 2006 to correct the deficient items since the Lodge has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Machinists Lodge 1345 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: Roger E. Poole, Directing Business Representative