

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management  
Standards  
Atlanta District Office  
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March 5, 2010

Mrs. Denise Rakestraw, President  
Machinists Local Lodge 709  
1032 S. Marietta Parkway  
Marietta, GA 30060

Case Number: [REDACTED]

Dear Mrs. Rakestraw:

This office has recently completed an audit of the 2008 LM-2 for Machinists Lodge 709 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, Susan Holmes and Patrick Smutney, on February 23, 2010, 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 Reporting Violation

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 LM-2 filed by Local Lodge 709 for fiscal year ending 12/31/2008, was deficient in the following area:

Investments Reported As Cash

Local Lodge 709 improperly included the value of the H & R Block (currently Ameriprise) Investment in Statement A (Assets and Liabilities) as cash. For LM reporting purposes, OLMS considers mutual funds as investments (not cash), and therefore, the local lodge should not report these transactions as cash but as investments and reported on line item 26 as Investments.

Because of this reporting error, Local Lodge 709 must file an amended Form LM-2 for fiscal year ending December 31, 2008, to correct the deficient item discussed above. I explained to you the filing procedures and the availability of filing software on the

OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-2 must be electronically filed as soon as possible, but not later than March 31, 2010. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to you and your staff 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator

cc: Susan Holmes, Secretary-Treasurer  
Patrick Smutney, GL Auditor