

**U.S. Department of Labor**

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August 13, 2009

Mr. Stephen Gomez, Treasurer  
Stage & Picture Operators  
Local 329  
1201 Providence Road  
Scranton, PA 18508

LM File Number 044-234  
Case Number: [REDACTED]

Dear Mr. Gomez:

This office has recently completed an audit of IATSE Local 329 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 10, 2009, 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 Violation

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 329's 2007 records revealed the following recordkeeping violation:

#### Lack of Salary Authorization

Local 329 did not maintain records to verify the salary and allowances reported in Item 24 (All Officers and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. Local 329 collects an assessment of 3% of wages as part of the dues structure. Business Agent Gary Lippi receives \$200.00 per month and 1% of all assessments collected during fiscal year 2007. The union must keep a record, such as meeting minutes, to show the current salary authorization by the entity or individual in the union with the authority to establish salaries.

Local 329 has passed a motion recorded in meeting minutes establishing the salary and compensation paid to the business agent.

Based upon your assurance that Local 329 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### 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 Form LM-3 filed by Local 329 for fiscal year ending December 31, 2007, was deficient in that:

#### Disbursements to Officers

Local 329 did not include some reimbursements to President William Cockerill and Treasurer Gomez in the amounts reported in Item 24 (All Officers and

Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expense).

The union must report most direct disbursements to Local 329 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Local 329 has filed an amended Form LM-3 for fiscal year ending December 31, 2008, to correct the deficient items discussed above.

I want to extend my personal appreciation to IATSE Local 329 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: William Cockerill, President