



June 21, 2016

John Lawson, Secretary-Treasurer  
IBT Local 400  
707 Brookpark Rd.  
Cleveland, OH 44109

Case Number: 350-6006794  
LM Number: 009109

Dear John Lawson:

This office has recently completed an audit of IBT Local 400 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 June 9, 2016, 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-2) filed by Local 400 for the fiscal year ended December 31, 2015, was deficient in the following areas:

##### 1. Officer Expenses

Officer expenses were reported in column (g) instead of column (f) of schedule 11 of the 2015 LM-2 Report. Other than official business reimbursed expenses are to be reported in column (g). The audit determined that reimbursed expenses were for official business, therefore should have been reported under column (f).

##### 2. Purchase of Assets

A computer purchased for the union was not reported as an asset purchase under schedule 4 of the LM-2 report.

I am not requiring that Local 400 file an amended LM report for 2015 to correct the deficient items, but Local 400 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. Car Mileage Log

The union reimburses officers for the use of their personal vehicle for union business. The union needs to maintain documentation that supports union credit card purchases for vehicle expenses, such as mileage logs.

2. Vacation Policy

The union does not have an established officer or employee vacation policy. Though the audit found no evidence of the abuse of paid vacation, a clearly defined vacation policy would strengthen financial safeguards.

I want to extend my personal appreciation to IBT Local 400 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: Anthony Sara, President