



August 5, 2011

Mr. Dennis Stegman, Business Representative  
Glaziers Local 513  
5916 Wilson Avenue  
St. Louis, MO 63110

Case Number: [REDACTED]  
LM Number: 003129

Dear Mr. Stegman:

This office has recently completed an audit of Glaziers Local 513 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, Jack Ahlheim, and Jennifer Ponath on August 1, 2011, 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.

#### Record Keeping 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 513's records revealed the following recordkeeping violation:

#### Failure to Maintain Receipts

Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the

money, and the individual amount received from each source. Local 513 did not maintain all receipt records used in the collection of union dues and assessments.

- On at least two occasions the duplicate receipt was missing the payer and the amount of the receipt.
- A signature stamp was used when completing each receipt but the stamp did not go through to the duplicate receipt. Therefore the receipt maintained by the union was not completed with a proper signature.
- Two duplicate receipt books were not maintained with the union records.

All missing receipt information was confirmed by reviewing other receipt records maintained by Local 513.

Based on your assurance that Local 513 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### Other Issue

##### Use of Signature Stamp

During the audit, you advised that it is Local 513's practice for officers to sign all union checks. The audit discovered the use of a signature stamp on checks for both you and Business Representative Christopher Simonds. Most of the checks containing the stamp were from the Emergency Fund and used to pay members for strike work. Never were two signature stamps used on the same check.

The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 513 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Glaziers Local 513 for the cooperation and courtesy extended during this compliance audit. I 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,



Senior Investigator

cc: Mr. Jack Ahlheim, Accountant