



September 1, 2015

Kenny Davis, Financial Secretary
Plumbers Local 189
1250 Kinnear Rd.
Columbus, OH 43212

Case Number: 350-6004099()
LM Number: 002751

Dear Kenny Davis:

This office has recently completed an audit of Plumbers Local 189 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 Accountant Bryan Rapp on August 21, 2015, 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 189 for the fiscal year ended December 31, 2014, was deficient in the following areas:

- 1) Cash within investments accounts such as money market funds were reported as cash on the LM-2 report. For the purposes of the LM-2 report, cash funds within the investment account should be reported as investments (item 26). Any trading within investment accounts that move funds in and out of investment account money market accounts should be reported a reinvestments on schedule 3 (Sale of Investments or Fixed Assets) or schedule 4 (Purchase of Investments or Fixed Assets) and not in item 22 (Cash) of the LM-2 report.
- 2) Officer and employee expenses were not reported in column F of schedules 11 and 12.
- 3) Target fund payments for the Bruner Corporation were erroneously repeated in the schedule 17 of the LM-2 report.

It is requested that Local 189 submit an amended LM-2 report correcting the above deficiencies.

4) Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 189 amended its constitution and bylaws in 2004, but did not file a copy with its LM report for that year.

It is requested that the union attach a copy of its most recent bylaws to the above requested amended LM-2 report.

Other Issues

As a way to safeguard union assets, it is recommended that the union establish an inventory list of high value items. This can also be helpful in the case of filing an insurance claim for any fixed asset damage or losses.

I want to extend my personal appreciation to Plumbers Local 189 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: Michael Kelley, Business Manager