

**U.S. Department of Labor**

Employment Standards Administration  
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January 15, 2009

Mr. Gary Silvey, Business Manager  
Plumbers AFL-CIO  
Local 45  
3003 Pear Street  
Saint Joseph, MO 64503

LM File Number 022-650  
Case Number: [REDACTED]

Dear Mr. Silvey:

This office has recently completed an audit of Plumbers Local 45 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 Bookkeeper Sheryl Stamp and you on January 13, 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.

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 45 for fiscal year ending December 31, 2007 was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 45 included indirect disbursements for expenses incurred by the business manager for travel by public carrier and temporary lodging while traveling for official union business in Schedule 11 (All Officers and Disbursements to Officers) when it should be reported in Schedules 15 to 19. The local also incorrectly reported the monthly car allowance given to the business manager in Schedule 11,

Column D (Gross Salary) when it should be reported under Schedule 11, Column E (Allowances Disbursed).

Local 45 did not report the names of some officers and the total amounts of payments to them or on their behalf in Schedule 11. The union must report in Schedule 11 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

## 2. Failure to Itemize Disbursement or Receipt

Local 45 did not properly report disbursements made out of the local's targeting fund. The disbursements were incorrectly reported under Schedule 20 (Benefits) when they should be reported under Schedule 17 (Contributions, Gifts, and Grants) as stated in the Frequently Asked Questions on the OLMS website. These disbursements should also be itemized according to the itemization threshold requirements.

I am not requiring that Local 45 file an amended LM report for 2007 to correct the deficient items, but Local 45 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Plumbers Local 45 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

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to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

[REDACTED]

Investigator

cc: Gary Park, President