



January 31, 2011

Mr. Jake Zurawski, Treasurer
USW LU 171
PO Box 2002
Vancouver, WA 98661

Case Number: [REDACTED]
LM Number: 006104

Dear Mr. Zurawski:

This office has recently completed an audit of USW LU 171 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 January 6, 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.

Recordkeeping Violations

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 171's 2009 records revealed the following recordkeeping violations:

1. General and Reimbursed Expenses

Local 171 did not retain adequate documentation for general and reimbursed expenses totaling at least \$2,225.68. For example 13 out of 76 disbursements were not supported with a union record. These payments were for meeting expenses, donations, florist, gifts, storage

unit, business products, and arbitration.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local 171 did not retain adequate documentation for lost wage reimbursement payments to "union officers and members" totaling at least \$6,375.19. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 171 retained the voucher that identified the officer or member, date, number of hours, and purpose for lost wage but did not have a supporting document such as a by-law or meeting minutes to authorize the payments for lost wages.

3. Lack of Salary Authorization

Local 171 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 171 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

1. 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 171 amended its bylaws, but did not file a copy with its LM report.

Local 171 has now filed a copy of its constitution and bylaws.

2. Delinquent Form LM-3

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. At the start of the compliance audit, the Labor Organization Annual Report (Form LM-3) for the period ending 12/31/2009 was delinquent.

The Form LM-3 has now been filed and forwarded to the Office of Disclosure.

I want to extend my personal appreciation to USW LU 171 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,

A solid black rectangular redaction box covering the signature of the investigator.

Investigator