



November 3, 2011

Mr. Ralph Donaldson, President
USW Local 505
PO Box 754
New Lexington, OH 43764

Case Number: [REDACTED]
LM Number: 005320

Dear Mr. Donaldson:

This office has recently completed an audit of USW Local 505 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 and former financial secretary [REDACTED] on October 19, 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.

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-3) filed by Local 505 for the fiscal year ended December 31, 2010, was deficient in the following areas:

Cash Reconciliation

The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. The audit showed inaccuracies in the reported beginning cash balance, receipts, and disbursements that resulted in a cash reconciliation error of \$2,381. Beginning cash balance (item 25A), plus total receipts (item 44), minus total disbursements (item 55), should equal the ending cash balance (item 25B) for the fiscal year.

Local 505 must file an amended Form LM-3 for the fiscal year ended December 31, 2010, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than November 18, 2011. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Mr. Ralph Donaldson

January 25, 2012

Page 2 of 2

I want to extend my personal appreciation to USW Local 505 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

cc: Jim Hudak, Financial Secretary