

Based on your assurance that Local Lodge 439 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 Lodge 439 for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Disbursements

Local Lodge 439 failed to report a \$26,000 donation to Machinists District Lodge 54 on their LM-3 Report filed for fiscal year ending December 31, 2010.

2. Transfers

Local Lodge 439 counted a \$10,000 transfer made from their savings account to their checking account as a receipt, thus inflating the figures reported on their LM-3 Report Filed for fiscal year ending December 31, 2010 by \$10,000.

Local Lodge 439 has filed an amended Form LM-3 for the fiscal year ended December 31, 2010, correcting the deficient items discussed above.

I want to extend my personal appreciation to Machinists Local Lodge 439 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,

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Investigator

cc: Mr. Harold Walters, President