

**U.S. Department of Labor**  
Washington District Office

Employment Standards Administration  
Office of Labor-Management Standards  
800 North Capitol Street, NW, Suite 120  
Washington, DC 20002-4244



Telephone: (202) 513-7300  
Facsimile: (202) 513-7301

September 29, 2005

Gerald Weikel  
Graphics Communications International Union (GCIU)  
Local 144-B  
8957-D Edmonston Rd.  
Greenbelt, MD 20742

Dear Mr. Weikel:

This office has recently completed an audit of GCIU, Local 144-B under the Compliance Audit Program (CAP) to determine compliance with provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you on September 9, 2005, 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.

### **Record Keeping Violations**

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 144-B's 2004 records:

#### **1. Automobiles**

Union officers who use their personal automobiles for union business failed to maintain mileage logs documenting the business use of the personal vehicles. A

log must be maintained which identifies the date of travel, locations traveled to and from, number of miles driven, and the business purpose of each use.

As agreed, provided that Local 144-B maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

I strongly urge Local 144-B to adopt clear guidelines regarding the parameters of the expenses personnel may charge on the union credit card. Our office is certainly available to provide guidance to you regarding the requirements of the law as they would pertain to any policies your union might adopt. If written guidelines are adopted in the near future, I would appreciate it if you would provide a copy to this office.

### **Reporting Violations**

The CAP disclosed a violation of LMRDA Section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 144-B for fiscal year ending December 31, 2004 was deficient in the following areas:

1. Certain Payments to Officers not properly Reported

All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) for cash, property, goods, services, or other things of value received and parking by or on behalf of an officer. The total amount of gas, insurance, rental car expenses, car repair expenses, meal expenses, among other expenses were not properly reported on the 2004 LM-3.

It will be necessary for Local 144-B to file an amended LM-3 report for 2004 to correct the deficient items discussed above. The necessary reporting forms and instructions are enclosed for your use. You may also use the new electronic forms software available from OLMS to complete the amended reports. One copy of each amended report should be submitted to this office at the above address as soon as possible, but no later than 10/30/05. Before mailing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

## Other Issues

### 1. Failure to File Bylaws

The CAP disclosed a violation of LMRDA Section 201(a) which requires that unions submit a copy of their current bylaws with its LM report when bylaw changes are made. Copies of Local 144-B's bylaws were not filed with OLMS with the LM-3 report for that year. Two copies of Local 144-B's bylaws have now been filed.

### 2. Signing Blank Checks

During the audit, you advised that Vice President Richard Young signs blank checks in advance. Your union's bylaws require that all checks be signed by the president and vice president. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, countersigning a blank check in advance does not attest to the authenticity of a completed check, and completely circumvents and undermines the whole purpose of the countersignature requirement. We strongly recommend that both signatures be obtained only after the entire check has been filled out.

### 3. Membership Approval

In the opening interview, you advised that all non-recurring expenses had to be approved by the membership or, in the absence of a quorum at the membership meeting, by the executive board. During the audit, it was discovered that at least one expense, a car rental, was incurred without membership or executive board approval, in violation of union policy. All non-recurring expenses should be approved by either the membership or the executive board.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to your successors at whatever time you may leave office.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,



cc: Beverly Hall