U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Chicago District Office
230 South Dearborn Street
Room 774, Federal Office Building
Chicago, IL 60604
(312)596-7160 Fax: (312)596-7174

June 9, 2009

Mr. Brian Diskin, Financial Secretary & Business Manager
Iron Workers AFL-CIO
Local 380
1602 E Butzow Dr.
Urbana, IL 61801

LM File Number 020-767
Case Number: [redacted]

Dear Mr. Diskin:

This office has recently completed an audit of Iron Workers Local 380 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 Local 380 Office Manager Angela Dial and yourself on May 26, 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.

Recordkeeping Violation

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 the union's FY 2008 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 380 did not retain adequate documentation for at leased $400 in credit card expenses associated with gasoline purchases.

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

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

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 the union for fiscal year ending June 30, 2008 was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 380 did not report the names of some officers and the total amounts of payments to them or on their behalf in Schedule 11 (All Officers and Disbursements to Officers). 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.

2. Rates of Dues and Fees

Local 380 did not report the amount that its members pay in working dues, transfer fees, and work permits as part of Item 21 (Rates of Dues and Fees).

3. Asset Reporting - Cash

Local 380 failed to disclose $300 within Item 22 (Cash), which resulted in the inaccurate reporting of both its opening and closing balances.

4. Dues and Agency Fees & Fees, Fines, Assessments, and Work Permits

Local 380 incorrectly reported its receipt of working dues within Item 38 (Fees, Fines, Assessments, Work Permits) instead of Item 36 (Dues and Agency Fees).

5. Receipts and Disbursements – Affiliates

Local 380 failed to report the full amount of monies it received and disbursed relating to its affiliates during the fiscal year within Items 46 (On Behalf of Affiliates for Transmittal to Them) and 63 (To Affiliates of Funds Collected on Their Behalf). The union neglected to include monies that they received in overpayments and associated refunds pertaining to its employer contributions bank account.

6. Additional Information

Local 380 failed to provide the necessary addition information relating to the various trusts and funds that it created or participated in as required when it answered "yes" to Item 10, the LM-2 question relating to this area.

As discussed during the exit interview, the union must file an amended Form LM-2 for fiscal year ending June 30, 2008 to correct the deficient items discussed above.

On June 4, 2009, Local 380 filed it amended report; therefore, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

> The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that the union's officers were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Iron Workers Local 380 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,

[redacted]
Investigator

cc: Timothy O'Neill, President