



February 6, 2015

Mr. William Tull, President
Graphic Communications Conference Local 285-M
6210 North Capitol St. NW
Washington, DC 20011

Case Number: 450-6002828 ()
LM Number: 024842

Dear Mr. Tull:

This office has recently completed an audit of Graphic Communications Conference / International Brotherhood of Teamsters Local 285-M 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 Bookkeeper Janet Ashley on February 2, 2015, 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 285-M's 2013 records revealed the following recordkeeping violations:

1. Failure to Maintain Records

Local 285-M failed to retain receipts for a few disbursements. 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.

2. Meal Expenses

Local 285-M did not require officers to submit itemized receipts for a few meal expenses. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

3. Disposition of Property

Local 285-M did not maintain an inventory of t-shirts, jackets, and baseball tickets it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

The union must record in at least one record the date and amount received from each sale of union t-shirts, jackets and baseball tickets. If items are given away, the dates and names of the recipients must be recorded.

Based on your assurance that Local 285-M 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 Local 285-M for the fiscal year ended December 31, 2013, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away t-shirts during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in

allowance for assets that it traded in.

2. Disbursements to Officers

Local 285-M did not include some reimbursements to officers and some credit card disbursements on behalf of officers in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these disbursements in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

3. Failure to Report Officers

Local 285-M did not report the names of some officers 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 or not they received any payments from the union.

4. Lost Time

Local 285-M did not properly report lost time payments to some officers and members in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees).

The union must report in Column D of Schedules 11 and 12 (Gross Salary Disbursements) the gross salary of each officer and employee including disbursements for lost time. Disbursements to individuals other than officers who receive lost time payments must be included in Schedule 12, even if the labor organization does not otherwise consider them to be employees or does not make any direct or indirect disbursements to them.

5. Failure to Itemize Disbursements

Local 285-M did not properly report some “major” transactions in Schedules 16, 18, and 19. A “major” transaction includes any individual transaction of \$5,000 or more or total

transactions to or from any single entity or individual that aggregate to \$5,000 or more during the reporting period and which the local cannot properly report elsewhere in Statement B. The audit found that itemization pages should have been completed for disbursements to Verizon, [REDACTED], and Peer, Gan & Gisler LLP.

6. Receipts and Disbursements Incorrectly Reported

It appears that the receipts figures reported in Items 36 through 48 and the disbursements figures reported in Items 50 through 65 do not include all of the money received and disbursed by the union. The union must report all of the money it receives and all of the money it disburses in these receipts and disbursements categories.

7. Training Account Not Reported

Local 285-M failed to include the financial information for its training account on the LM-2 report. All special purpose accounts, such as a training account, must be reported on the LM-2 report.

8. Disbursements Reported Improperly

Local 285-M erroneously reported disbursements to numerous vendors in improper disbursement categories. For example, the union reported payments to Peer, Gan & Gisler LLP for representation related to administration and enforcement of the collective bargaining agreements in Schedule 19 (Union Administration) when these disbursements should have been reported in Schedule 15 (Representational Activities). In addition, the union reported numerous disbursements to vendors for maintenance and upkeep on the union's building and other overhead costs in Schedule 19 (Union Administration) when they should have been reported in Schedule 18 (General Overhead). The union also reported several disbursements for flowers, retirement gifts, t-shirts, and a Christmas party in Item 64 (On Behalf of Individual Members). This category is for reporting disbursements of funds collected from members by the labor organization that were specifically designated by them for disbursement on their behalf. The disbursements the union made for flowers, retirement gifts, t-shirts, and a Christmas party were improperly reported in Item 64 and should have been reported in Schedules 16 through 19 based on the purpose of the disbursement.

Local 285-M must file an amended Form LM-2 for the fiscal year ended December 31, 2013, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-2 must be filed no later than February 27, 2015. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to GCC Local 285-M 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 box used to redact the signature of the investigator.

Investigator