

U.S. Department of Labor

Employment Standards Administration
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June 22, 2007

David Leyva, President
Machinist Local 1689
315 Pine SE
Albuquerque, NM 87106

LM File Number: 034-706

Case Number: [REDACTED]

Dear Mr. Leyva:

This office has recently completed an audit of Machinist Local 1689 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 David Leyva and Loretta Saavedra, 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 1689's 2005 records revealed the following recordkeeping violation:

1. Failure to Maintain Bank Records

Local 1689 failed to maintain account information from their checking account number [REDACTED]. The union did not have a checking account bank statement for the months of May and September in 2005. It is important that the local maintain all bank information at all times. The bank was contacted and both the May and September statements were obtained. The statements need to be entered into local records and kept on file for a minimum of five years to be in compliance with the LMRDA.

2. Failure to Maintain Union Records/Officer Travel Expense

Local 1689 did not retain adequate documentation for a disbursement made for local officer travel expenses incurred by President David Leyva and Vice President Tommy Blanton totaling at least \$596.20. Both Leyva and Blanton traveled to a local organizing summit in Chicago resulting in the local's purchase of airline tickets in the amount of \$596.20, but the local did not retain an original receipt for the airline tickets purchased using the Torres Travel Agency.


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 Local 1689 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Mr. David Leyva
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I want to thank you and Machinist Local 1689 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,


Investigator

cc: Linda Carter, Treasurer