

June 30, 2005

Eugene Janickas Secretary-Treasurer
Boilermakers, Lodge 416-D
528 Bayberry Rd.
Lorain, Ohio 44053

Re: (2

Dear Mr. Janickas:

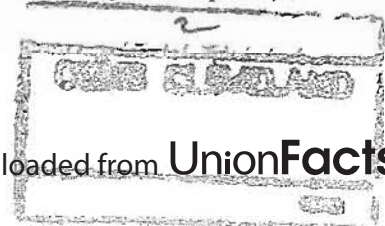
This office has recently completed an audit of the Boilermakers Lodge 416-D under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor Management Reporting Disclosure Act of 1959, as amended (LMRDA). As discussed during the exit interview with you and Mike Harker, President on May 31, 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.

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 deficiencies were revealed during the audit of Lodge 416-D 2004 records:

Union officers and employees failed to retain adequate documentation for reimbursed expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record.

With respect to documentation retained in support of specific disbursements, the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information.



Adequate documentation was not retained for some purchases of office supplies expenses and professional services. During the exit interview, I identified checks made payable to the Local Treasurer for office supplies that failed to include any type of supportive documentation.

Some vouchers submitted by union personnel for lost wages do not identify the union business conducted that required lost wages be incurred. The lost wage claims must identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

As agreed, provided that Lodge 416-D maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. Our office was informed that changes to the bylaws were made in 1985; however, this office does not have a record of these bylaws. As agreed, Lodge 416-D filed a copy of its current bylaws with this agency on June 15, 2005.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report LM-3 filed by Lodge 416-D for fiscal year ending June 30, 2004 failed to meet the standards of acceptability. The following deficient items were identified:

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 by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in item 48 (Office and Administrative Expenses).

It will be necessary for Lodge 416-D to file amended LM-3 reports for Fiscal Year ending 6/30/04 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. As of June 30, 2005, our office has received the LM-3 reports for this fiscal year, therefore, no further action is being considered regarding this matter at the present time.

I want to thank you and Mr. Mike Flarker 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,

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Investigator