



November 16, 2012

Mr. Scott Brydges, Bus. Mgr./Fin. Sec. Treas.
Iron Workers, AFL-CIO, Local 9
412 39th Street
Niagara Falls, NY 14303

Case Number: [REDACTED]
LM Number: 034859

Dear Mr. Brydges:

This office has recently completed an audit of Iron Workers, Local 9 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 Secretary/Bookkeeper Barbara Meeter on November 15, 2012, 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 9 records for fiscal year ending June 30, 2012 revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 9 did not retain adequate documentation for reimbursed expenses incurred by [REDACTED] former Local 9 Business Manager/Financial Secretary Treasurer, totaling at least \$1,095. For example, no backup expense documentation was found that covered four separate occasions [REDACTED] was reimbursed, totaling \$222. Furthermore, inadequate documentation existed regarding [REDACTED]'s reimbursement of \$873 in expenses incurred in February 2012.

As 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. Union Owned/Leased Vehicles

The union did not maintain records necessary to verify the accuracy of the information reported in Schedules 11 (All Officers and Disbursements to Officers) of the LM-2.

Local 9 did not maintain records documenting business versus personal use of the union vehicle, a 2006 Ford Explorer, by [REDACTED]. The LM-2 instructions include specific rules for the reporting of automobile expenses. For each trip a union officer or employee takes using the union owned vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip. [REDACTED] was allowed personal use of the union vehicle, but did not maintain any records for his trips.

Local 9 sold the car to [REDACTED] in August 2012 upon his retirement. As new Business Manager/Financial Secretary Treasurer, the Local 9 Executive Board and membership has approved giving you a monthly allowance for business use of your personal vehicle.

3. Failure to Record Receipts

Local 9 did not record in its receipts records some employer dues checkoff checks and a check wired to the Local 9 from the international. For example, employer Fox Fence remitted \$682.76 in checkoff dues monies to Local 9 but it was not recorded in the Local 9 receipts journal. Additionally, Iron Workers International wired \$2,012.25 to Local 9 that was not recorded.

Local 9 has advised OLMS that the monies were not recorded in the Local 9 receipts journal due to employee error. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

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Based on your assurance that Local 9 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Iron Workers, Local 9 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the extensive 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]
Senior Investigator

cc: Mr. Adam Dickey, President
Mrs. Barbara Meeter, Secretary/Bookkeeper