

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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March 26, 2009

Mr. Patrick Abbott, Secretary-Treasurer
Metal Trades Department - Metal Trades Council
632 - Fifth Street #1
Bremerton, WA 98337

LM File Number: 501-237
Case Number: [REDACTED]

Dear Mr. Abbott:

This office has recently completed an audit of Metal Trades Department - Metal Trades Council 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, President Ricky Williams and current Secretary-Treasurer Loren Burnett on March 25, 2009, the following problem was disclosed during the CAP. The matter listed below is not exhaustive 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 Metal Trades Council's 2008 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Metal Trades Council did not retain adequate documentation for credit card expenses incurred by President Williams on behalf of the council's office, totaling over 35 percent of the entire amount charged during the audit period. For example, nearly \$900 was charged for computer equipment and supplies, yet there was no receipt submitted with the credit card statements presented to Investigator [REDACTED] as part of the audit.

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 the council, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Metal Trades Council 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 Metal Trades Council for the cooperation 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]

Investigative Supervisor

cc: Mr. Ricky Williams, President

Mr. Loren Burnett, Secretary-Treasurer