



July 28, 2005

Ms. Bennie Winger, Secretary-Treasurer
Machinists District Lodge 111
1618 North Park Avenue
Herrin, Illinois 62948

Dear Ms. Winger:

This office has recently completed an audit of District Lodge 111 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 Grand Lodge Auditor Bob Hamilton on July 21, 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.

The CAP disclosed a violation of LMRDA Section 201(b), because the Labor Organization Annual Report LM-2 filed by District Lodge 111 for fiscal year ending December 31, 2004 was deficient and failed to meet the standards of acceptability. The deficiencies included:

- A. The union's cash figures for the reporting period did not balance. Specifically, cash at the start of the reporting period, plus total receipts, minus total disbursements, does not equal cash at the end of the reporting period. As discussed in the closing interview, the problem may involve a \$15,000 fund transfer that was improperly recorded in receipts and the failure to record the calculated interest for the year.
- B. The CAP found several payments to former secretary *7661* that were not properly reported.

To be in compliance with the LMRDA, it will be necessary for District Lodge 111 to file an amended report LM-2 for 2004 to correct the deficient items. The necessary reporting forms and instructions are enclosed for you. As you asked about in the interview, you may also use the electronic forms software available from OLMS. One copy of the amended report should be sent to the St. Louis District Office as soon as possible. Before mailing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

The CAP also disclosed a violation of LMRDA Section 201(a), which requires that unions submit a copy of their current constitution and bylaws with their LM report when bylaw changes are made. District Lodge 111 amended its constitution and bylaws in 2003, but a copy was not

filed with their LM-2 report for that year. During the audit, District Lodge 111 provided a copy of its most recent constitution and bylaws dated 2005. Therefore, no further action on this matter is warranted at this time.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

Dennis L. Eckert
District Director

By: *DLE*
Investigator

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