

**U.S. Department of Labor**

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January 22, 2010

Mr. Mark Calkins, Secretary-Treasurer  
Ironworkers Local 24  
501 W. 4<sup>th</sup> Ave.  
Denver, CO 80223

LM File Number: 027-379  
Case Number: [REDACTED]

Dear Mr. Calkins:

This office has recently completed an audit of Ironworkers Local 24 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 on December 23, 2009, 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 Violation

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 24's fiscal year ended June 30, 2009 records revealed the following recordkeeping violation:

#### General Expenses

Local 24 did not retain adequate documentation for expenses incurred by union officers totaling at least \$310 for union meals. For example, union officers purchased meals on the union credit cards but did not retain the original receipts, specifically the detailed receipt that includes the individual items purchased.

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.

#### Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report Form LM-2 filed by Local 24 for fiscal year ending June 30, 2009, was deficient in the following area:

##### 1. Failure to Report Sale of Fixed Assets

Local 24 did not properly report the sale of fixed assets, specifically automobiles, in Schedule 3. The union must report the details of all sales of fixed assets by the labor organization in LM-2 Schedule 3. The audit found that a union owned automobile with an original cost of \$17,351.83 was sold for \$976.53 to Secretary-Treasurer Mark Calkins in July 2009 but did not disclose it in LM-2, Schedule 3 for its fiscal year ended June 30, 2009.

##### 2. Failure to Report Fixed Assets

Local 24 did not properly report fixed assets, specifically automobiles, in Schedule 6. The union must report details of all fixed assets, such as land, buildings, automobiles and other vehicles, and office furniture and equipment owned by the union at the end of the reporting period. The audit found that the

union owned automobiles with an original cost of \$77,425.18 but disclosed owning automobiles with original cost of \$94,777 in LM-2, Schedule 6 for its fiscal year ended June 30, 2009.

Local 24 must file an amended Form LM-2 for fiscal year ending June 30, 2009, to correct the deficient items discussed above. I explained to you the filing procedures and the availability of filing software on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-2 must be electronically filed as soon as possible, but not later than February 28, 2009. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to Ironworkers Local 24 for the cooperation and courtesy 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,



Investigator