

U.S. Department of Labor

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Office of Labor-Management Standards
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August 28,2008

Mr. Scott Murphy, Financial Secretary Treasurer
Iron Workers AFL-CIO
Local 58
3035 Paris Ave.
New Orleans, LA 70119

LM File Number: 010-203

Case Number: [REDACTED]

Dear Mr. Murphy:

This office has recently completed an audit of Iron Workers Local 58 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 Andrea Hobgood on August 25,2008, 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 58's 2007 records revealed the following recordkeeping violations:

1. Wages

Local 58 did not retain adequate documentation for wages paid to union members totaling at least \$374.00. The union must maintain records in support wages that identify each date wages were incurred, the number of hours paid on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 58 paid wages to a member for "services rendered in August 2006, but did not maintain any back-up documentation of the union business purpose or authorization of the disbursement.

2. Lack of Salary Authorization

Local 58 did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

3. Unused checks

Local 58 failed to maintain unused checks for the vacation account previously held at the Bank of Louisiana.

Based on your assurance that Local 58 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 58 for fiscal year ending June 30, 2007, was deficient in that:

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 58 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year.

Local 58 has now filed a copy of its bylaws with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 58's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

Mr. Scott Murphy
August 27, 2008
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I want to extend my personal appreciation to Iron Workers Local 58 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. James E. Willams, Jr., President