

U.S. Department of Labor

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Office of Labor-Management Standards
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June 1, 2009

Mr. Perry Marzean, Jr., President/Financial Secretary
Glass Molders Plastics AFL-CIO
Local Union #375
418 Woodhall Drive
Willow Street, PA 17584

LM File Number 526-914
Case Number: [REDACTED]

Dear Mr. Marzean, Jr.:

This office has recently completed an audit of Glass Molders Plastics AFL-CIO, Local Union 375 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 May 22, 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 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 fund, 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 included not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursements, 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 Union 375's 2008 records revealed the following recordkeeping violations:

1. Lost Wages

Local 375 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,814.82. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found Perry Marzean, Jr. received three checks totaling \$900.10; Preston J. Keller received two checks in the amount of \$671.04; and [REDACTED] received a check in the amount of \$243.68. These claims for lost time were cross referenced with the employer's records.

During the exit interview, I provided a sample of an expense voucher Local 375 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

2. General Reimbursed and Credit Card Expenses

Local 375 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$818.85. For example, the union officers of Local 375 provided only one of two room receipts to the Rio Hotel for the International Convention they attended. Also, the receipts for Carnival World Buffet (\$51.70) and Refreshment Center (\$12.00) for a business representative at the International Convention were not retained. In addition, a fifteen dollar receipt for parking in Las Vegas during the International Convention was not retained.

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.

Mr. Perry Marzean, Jr.
June 1, 2009
Page 3 of 3

3. Failure to Maintain Bank Records

Local 375 failed to maintain a record of all deposits made during the fiscal year ending October 31, 2008. One deposit slip was missing. During the initial interview, Marzean, Jr. explained that he kept the Local's records at two different residences. As stated above, bank records for all accounts must be kept.

Based on your assurance that Local 375 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

As I discussed in the interview with Perry Marzean, Jr., the audit revealed that Local 375 authorized signatories for the checking account and certificates of deposit are out of date. Local 375 should update the authorized signatories with Quarryville Fulton Branch as Perry Marzean, Jr. and Preston J. Keller.

I want to extend my personal appreciation to GMP Local 375 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 covers the signature of the investigator.

Investigator

cc: Preston J. Keller, Recording Secretary