

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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August 13, 2009

Ms. Shirley Thompson, Secretary-Treasurer
Machinists AFL-CIO
Lodge 2202
902 Industry Drive
Tukwila, WA 98188

LM File Number 048-322
Case Number: [REDACTED]

Dear Ms.Thompson:

This office has recently completed an audit of Machinists Lodge 2202 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, Mark Walker, and [REDACTED] on July 2, 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.

Reporting Violation

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-3 filed by Lodge 2202 for fiscal year ending December 31, 2008, was deficient in that:

Disbursements to Officers

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Lodge 2202 did not report the total amounts of payments to officers or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union failed to report at least \$18,517 in payments to officers or on their behalf. The union must report most direct disbursements to Lodge 2202 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Lodge 2202 must file an amended Form LM-3 for fiscal year ending December 31, 2008, to correct the deficient item discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than August 21, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Machinists Lodge 2202 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

cc: Mark Walker, Lodge 2202 President