

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
170 S. Independence Mall West
Room 760 W
Philadelphia, PA 19106
(215)861-4818 Fax: (215)861-4819



April 9, 2007

Mr. Robert Boland, President
Machinists AFL-CIO
Lodge 1776
251 Jansen Avenue
Essington, PA 19029-1512

Re: Case Number: [REDACTED]

Dear Mr. Boland:

This office has recently completed an audit of Machinists Lodge 1776 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 Recording Secretary C.A. O'Brien on March 29, 2007, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, documentation requirements can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements. In case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

Mr. Robert Boland
April 9, 2007
Page 2 of 2

The audit of Local 1776's FY 2005 records revealed the following recordkeeping violation:


Officer and Employee Expenses

Union officers failed to maintain adequate documentation for reimbursed expenses, and for lodging expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded. Approximately 15 receipts for meal reimbursements were not annotated with the necessary information to identify the purpose of the expense and disbursement, to include the names of the individuals for whom the meals were purchased. President Robert Boland received \$8,814, Vice-President Rich Howell \$9,225, Treasurer Mark Corkery \$2,173 and Recording Secretary Cornelius O'Brien \$9,921 in reimbursement for expenses incurred during the fiscal year 2005. Although receipts were provided for these expenses, all of the receipts were not annotated to explain the business purpose of each expense nor were the names of the individuals present for meal expenses provided.

As agreed, provided that Lodge 1776 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

I want to extend my personal appreciation to Machinists Lodge 1776 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: C.A. O'Brien, Recording Secretary
Mark Corkery, Secretary/Treasurer