

U.S. Department of Labor

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September 2, 2008

Mr. Raymond Baker, Treasurer
Graphic Communication, IBT, AFL-CIO
Local 91-P
6768 N. Route 2
Oregon, IL 61061

LM File Number 001-660

Case Number: [REDACTED]

Dear Mr. Baker:

This office has recently completed an audit of Graphic Communication Local 91-P 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 [REDACTED] on August 15, 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 91-P's 2007 records revealed the following recordkeeping violations:

General Reimbursed Expenses

Local 91-P did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$287. For example, receipts for gasoline reimbursements in the amount of \$82 from Mike Miller and Brad Eastman were not retained by the union in February 2007. In addition, receipts for gasoline reimbursements in the amount of \$80 from Brad Eastman and Mark Kuelling were not retained by the union in March 2007.

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.

Based on your assurance that Local 91-P 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-3) filed by Local 91-P for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 91-P did not include some reimbursements to officers totaling at least \$30,000 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expense). In addition, Local 91-P did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24. The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 91-P 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, check, 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).

2. Mutual Fund Investments Reported As Cash

Local 91-P improperly included the value of its Legg Mason and Van Kampen mutual fund investments as cash in Item 25 in Statement A (Assets and Liabilities). For LM reporting purposes, mutual funds that invest in stocks and bonds are investments and should be reported in Item 28 (Investments).

3. Unrealized Gains and Losses on Investments Reported as Interest and Dividends

Local 91-P improperly included the unrealized gains and losses on the value of its investments as of the end of the fiscal year in Item 41 (Interest and Dividends). Unrealized gains and losses are not a cash receipt and are not reported on Statement B (Receipts and Disbursements).

4. Sale of Investments

Local 91-P did not report the sale of investments from the Legg Mason and Van Kampen mutual funds. The amount of all investments and fixed assets sold by your organization is reportable in Item 42 (Sale of Investments and Fixed Assets).

5. Per Capita Tax

Local 91-P improperly reported its share of dues receipts that it forwards to the international office as a receipt in Item 39 (per capita tax receipts). All dues receipts from members are properly reported in Item 38 (Dues) even though a portion of those receipts are then forwarded to an intermediate or national labor organization as a per capita tax.

6. 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 91-P amended its constitution and bylaws in 1997, but did not file a copy with its LM report for that year. Local 91-P has now filed a copy of its constitution and bylaws.

Local 91-P must file an amended Form LM-3 for fiscal year ending December 31, 2007, to correct the deficient items 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). As I mentioned to you at our meeting on August 15, 2007, the amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 19, 2007. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Issues

Lost Time Disbursements

As discussed with you during the exit interview, the audit revealed that some members may not have been entitled to receive lost time payments while working on union business. Section 26 of the Bylaws states that "any member authorized to conduct local union business during his regular hours of employment shall be paid by the local union

at his regular rate of wages plus necessary expenses. Payment shall be made at the end of the work week in which the loss of time was incurred." Some officers may have taken lost time payments when they would not have otherwise been compensated by the employer. OLMS recommends that the local union review employer time sheets prior to issuing lost time payments to members to ensure that the payments conform to the local's Bylaws.

I want to extend my personal appreciation to Graphic Communication Local 91-P 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: Michael Miller, President