

U.S. Department of Labor

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January 31, 2008

Mr. Stacey Salmon, Secretary-Treasurer
Laborers
Western Missouri-Kansas District Council
1101 East 87th Street, Suite 102
Kansas City, MO 64231

LM File Number 042-766
Case Number: [REDACTED]

Dear Mr. Salmon:

This office has recently completed an audit of the Western Missouri-Kansas District Council 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 Cindy Salmon on January 16, 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.

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 the District Council for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Automobile Expenses

The District Council included the disbursements related to the operation and maintenance of union automobiles in Schedule 11 (All Officers and Disbursements to Officers).

Rather than allocating these automobile related expenses between Columns F and G in Schedule 11, the LM-2 report filed by the District Council properly reported these expenses in Column F as 50 percent or more of the officer's use of a vehicle was for official business. However, the District Council failed to provide an explanation in Item 69 (Additional Information) that the officer or employee also used the vehicle part of the time for personal business. Similarly, if a vehicle assigned to an officer or employee was used less than 50 percent of the time for business, all of the expenses relative to that vehicle may be reported in Column G with an explanation in Item 69 that the officer or employee used the vehicle partly for official business.

2. Acquire/Dispose of Property

The District Council's purchase of a vehicle during the audit was not reflected properly in Schedule 4 (Purchase of Investments and Fixed Assets). Specifically, the Cost figure (Column B) of \$36,966 and the Cash Paid figure (Column D) of \$15,133 were not accurate on the LM-2.

I am not requiring that the District Council file an amended LM report for 2006 to correct the deficient items, but the District Council has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to the Western Missouri-Kansas District Council 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: Mr. Les Williams, Sr., President