



October 26, 2015

Darren Bucher, Financial Secretary
UE Local 766
1695 Jo Jean Rd.
Cridersville, OH 45806

Case Number: 350-6005840()
LM Number: 066655

Dear Darren Bucher:

This office has recently completed an audit of UE Local 766 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 September 25, 2015, 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 766's 2014 records revealed the following recordkeeping violations:

1. Meeting minutes not maintained

Meeting minutes for the months of June to December 2014 were not found in the union record. The union has agreed to maintain monthly meeting minutes in the future and document if a meeting is not held or is cancelled.

2. Meal Receipts

A meal receipt for \$150 was found in the union record, but the receipt did not have the participants of the meal written on it.

In the future the union has agreed to document the participants and purpose of union meals.

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 766 for the fiscal year ended December 31, 2014, was deficient in that:

1. Certificates of Deposit Reported As Investments

Local 766 improperly included the value of a certificate of deposit as an investment in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

Local 766 has agreed to make the above adjustment on future LM-3 filings.

2. Checking Account Balance

A checking account balance error of approximately \$1,761 has been carried over to the audit year from past fiscal years. The end of year union book balance for FY 2014 was reported as \$16,052. This amount should reflect an adjustment of the carryover error, which will result in a new book balance of about \$14,300.

In the future, we recommend that you, periodically reconcile the union record with the checking account bank statements. At a minimum this should be done at the end of the fiscal year in order to avoid carryover errors.

3. 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 766 amended its constitution and bylaws in 2014, but did not file a copy with its LM report for that year.

Local766 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to UE Local 766 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 solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Jeff Van Meter, President