

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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June 25, 2007

Mr. John Stiffler, Business Manager
Asbestos Workers, AFL-CIO
Local Union 1
3325 Hollenberg Drive
Bridgeton, MO 63044

LM File Number 037253

Case Number: [REDACTED]

Dear Mr. Stiffler:

This office has recently completed an audit of Asbestos Workers Local 1 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 Sherry Saltzman on June 19, 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.

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 1's 2006 records revealed the following recordkeeping violation:

Receipt Records for Golf Tournament

Receipt records were not properly maintained for the Local 1 annual golf tournament. One large deposit was made into the local's checking account, but records were not maintained showing the source of the money, the date it was received, and the purpose. Union receipts records must include an adequate identification of all money received. The records should show the date and amount received and the source of the money.

Based on your assurance that Local 1 will implement a receipt system similar to that used for the union's general fund and retain adequate documentation regarding golf tournament receipts in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Other Violations

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 1's officers and employees are currently bonded for \$308,000, but they must be bonded for at least \$330,000. You stated Local 1 is in the process of obtaining adequate bonding coverage for its officers and employees. Please provide proof of bonding coverage to this office as soon as possible.

I want to extend my personal appreciation to Asbestos Workers Local 1 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials

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provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

A black rectangular redaction box covering the signature of the investigator.

Investigator