

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
1111 Third Avenue
Room 605
Seattle, WA 98101-3212
(206)398-8099 Fax: (206)398-8090



September 21, 2006

Mr. Daniel Sass, Secretary Treasurer
Machinists District Lodge 24, AFL-CIO
DLG 24
3645 SE 32nd Avenue
Portland, Oregon 97202

Re: Case Number: ~~XXXXXXXXXX~~

Dear Mr. Sass:

This office has recently completed an audit of Machinists District Lodge 24 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 08/31/06, 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.

The CAP disclosed that adequate documentation was not retained showing authorization for a gift to the Leukemia and Lymphoma Society. As agreed, provided that DLG 24 maintains adequate documentation in the future, no additional enforcement action will be taken regarding this violation.

The CAP 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 constitution or bylaw changes are made. DLG 24 amended its constitution and bylaws in 2005, but a copy was not filed with OLMS. A copy of DLG 24's constitution and bylaws has now been filed.

In addition, the audit disclosed the following:

During the audit, you stated that it is DLG 24's practice to stamp the signature of President James Thompson as well as use a stamp for your own signature on union checks. You indicated that you review the checks before they are issued. Article IV of

DLG 24's bylaws requires that checks be signed by the president and secretary-treasurer. The second signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for one or both signatures does not attest to the authenticity of the completed check, and completely circumvents and undermines the purpose of the countersignature requirement. I recommend that DLG 24 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Machinists District Lodge 24 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 thick black horizontal line redacting the signature of the investigator.

Investigator

cc: President James Thompson