

U.S. Department of Labor

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Office of Labor-Management Standards
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September 16, 2008

Mr. Richard Koors, Treasurer
Lift Workers of Greensburg United
2450 West CR 250 South
Greensburg, IN 47240

LM File Number: 511-707
Case Number: [REDACTED]

Dear Mr. Koors:

This office has recently completed an audit of Lift Workers of Greensburg United 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 Senior Investigator [REDACTED] discussed during the exit interview with you and President Roy Swango, and Trustees Tom Creech, Dan Skillman, and John Weber on September 5, 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 the United Lift Workers' records revealed the following recordkeeping violations:

1. Supporting Documentation for a Retirement Gift

United Lift Workers did not retain adequate documentation to support a \$500 retirement gift to a union member. Adequate documentation could have included an executive board or membership resolution recorded in meeting minutes.

2. Lost Wages

United Lift Workers did not retain adequate documentation for lost wage reimbursement payments to union officers totaling \$1,637.24. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that United Lift Workers retained employer billing statements that identified the dates, hours, and wage rates for lost wages, but no records were kept that described the union business conducted.

Based on your assurance that United Lift Workers 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 United Lift Workers for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Lost Check

In June 2007, United Lift Workers lost check number [REDACTED] for \$50. While the union requested a stop payment from the bank, the check cleared anyway. As compensation, the bank credited the Lift Workers' checking account \$50. The lost check should have been disclosed in Item 15 (Loss or Shortage of Funds), and

the circumstances surrounding the check and the bank's resultant credit should have been disclosed in Item 56 (Additional Information).

2. Identification of Officers

Instructions for Item 24 (All Officers and Disbursements to Officers) require filers to disclose the identities of all officers whether or not they received compensation during the reporting period. According to Article V of the United Lift Workers' constitution, officers of the union are the president, vice president, secretary, treasurer, three trustees, and department stewards. United Lift Workers had trustees in fiscal year 2007, but they were not identified in Item 24.

3. Lost Wages

United Lift Workers indirectly paid about \$1,600 in lost wages to officers through their employer, American Lifts, in fiscal year 2007. Lost wages to officers should have been reported in Column D (Gross Salary) of Item 24 (All Officers and Disbursements to Officers) rather than in Item 46 (To Employees). The arrangement with American Lifts should have been described in Item 56 (Additional Information).

4. Reimbursed Expenses

United Lift Workers paid \$39.58 in reimbursed expenses to officers for purchases of supplies they had made on behalf of the union. Those disbursements should have been reported in Column E (Allowances and Other Disbursements) of Item 24 (All Officers and Disbursements to Officers).

5. Employer FICA and Medicare Taxes

United Lift Workers reimbursed American Lifts \$125.25 for the employer portion of Social Security and Medicare taxes paid on behalf of union officials who received lost wages. Those disbursements should have been disclosed in Item 48 (Office & Administrative Expense) rather than Item 46 (To Employees).

I am not requiring that United Lift Workers file an amended LM report for 2007 to correct the deficient items, but United Lift Workers has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

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.

The president and secretary of United Lift Workers are currently bonded for \$10,000, but the bond should cover the president, treasurer, and vice president who are supposed to be the signatories on the union's bank accounts. In fact, the CAP revealed that a former officer was still a signatory on the union's general fund account. Moreover, the union's bond has a \$100 deductible, and self-insurance is not permitted. United Lift Workers should update bank signature cards and obtain adequate bonding coverage for officers who handle union funds immediately. Please provide proof of adequate bonding coverage to this office as soon as possible, but not later than September 29, 2007.

I want to extend my personal appreciation to Lift Workers of Greensburg United 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,

Lesta A. Chandler
District Director

cc: Roy Swango, President
Teresa Hoeing, Accountant