



March 13, 2024

Dermain Waters, President
International Brotherhood of Boilermakers
Local 684
1101 Poindexter Street
Chesapeake, VA 23324

Case Number: 450-6027633()
LM Number: 050-604

Dear Mr. Waters:

This office has recently completed an audit of International Brotherhood of Boilermakers Local 684 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 Treasurer Helena Ringo on March 1, 2024, 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 684's 2022 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 684 did not retain adequate documentation for credit card charges incurred by union officers. For example, the union did not keep receipts for food, parking, cell phone payments, cable bill payments, and expenses incurred while on union travel.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Parking Expenses

Local 684 did not retain adequate documentation for parking expenses incurred by union officers. The union must maintain records which identify the date the parking was incurred, the location, and the business purpose for the expense.

3. Meal Expenses

Local 684 did not require officers to submit itemized receipts for meal expenses. The union must maintain itemized receipts provided by restaurants to officers. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

In addition, Local 684 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

4. Failure to Maintain Receipt Records

Local 684 did not retain some deposit slips for deposits into the union's bank account and dues check-off reports received from the employer. All union receipt records must be maintained. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 684 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 Local 684 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Failure to Accurately Report Receipts

The total receipts reported in Item 44 (Total Receipts) on the union's LM-3 report does not match the figure calculated by OLMS during the audit. The total receipts that Local 684 received during the audit period was higher than the amount that Local 684 reported on its LM report. All money received by the union during the audit period must be included Item 38 through Item 43 of the LM report.

2. 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 118 amended its constitution and bylaws in 2012 but did not file a copy with its LM report for that year.

As agreed, Local 684 will file a copy of its current constitution and bylaws with OLMS via the Electronic Forms System (EFS) as soon as possible but not later than March 28, 2024.

Local 684 must file an amended Form LM-3 for the fiscal year ended December 31, 2022, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than March 28, 2024. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Boilermakers Local 684 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