



May 14, 2024

Mr. Mike Saylor, President
United Independent Aerosol Workers
P.O. Box 134
733 Wilson Avenue
Berlin, PA 15530

Case Number: 140-6027758()
LM Number: 541152

Dear Mr. Saylor:

This office has recently completed an audit of United Independent Aerosol Workers 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 Treasurer Nancy Baumgardner on May 7, 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 the United Independent Aerosol Workers 2023's records revealed the following recordkeeping violations:

1. General Expenses and Expense Reimbursements to Officers

The United Independent Aerosol Workers did not retain documentation for general expenses and expense reimbursements to officers, members and vendors totaling at least

\$2,117.56. For example, on August 15, 2022, a check in the amount of \$384.00 was written to Roof Garvin Market for the purchase of buns and burgers for the union's annual benefit; however, the union did not retain any records associated with this purchase.

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. Disposition of Property

The United Independent Aerosol Workers did not maintain an inventory of gift cards and t-shirts that it gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

In the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

Based on your assurance that the United Aerosol 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 Aerosol Workers for fiscal year ending May 31, 2023, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 (LM-3) should have been answered, "Yes," because the union gave away gift cards and t-shirts totaling more than \$36,150 during the year. In Item 56, Additional Information Summary, the union identified the gift cards that were given to the members but did not identify the t-shirts.

The union must identify the type and value of any property received or given away in Item 56 of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees."

2. Item 51, Contributions, Gifts and Grants

It appears that cash disbursements reported in Item 50 (Benefits) reflects monies spent by the union for the purchase of gift cards and t-shirts. These expenses should have been reported under Item 51 (Contributions, Gifts and Grants).

I am not requiring that the Independent Aerosol Workers Union file an amended LM report for the fiscal year ended May 31, 2023, to correct the deficient items, but the union has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to United Independent Aerosol Workers 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 redaction box covering the signature of the investigator.

Investigator

cc: Ms. Nancy Baumgardner, Treasurer
Mr. Doug Ream, CPA