

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 20, 2006

Charles Gill
Secretary-Treasurer
IATSE, AFL-CIO
Local Union 10
82 Southcrest Avenue
Cheektowaga, NY 14225-3422

Re: Case Number: XXXXXXXXXX

Dear Mr. Gill :

This office has recently completed an audit of 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 Attorney Boreanaz on September 8, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The CAP disclosed that adequate records were not maintained to verify numerous charges on the union American Express card. Purchases on the credit card were made by union officers and employees and the charges were paid for by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. An original receipt must be maintained for every charge on the union credit card. A description of items purchased and their purpose should be included on such receipt. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

The audit also revealed that additional financial documents were missing from the union's records. The following is a summary of such findings:

- A bank statement could not be located for the [REDACTED] ending [REDACTED] for the months of September, October, and November, 2005.
- A bank statement for the [REDACTED] could not be located for the month of August, 2005.
- A bank deposit slip could not be found for a deposit made into the [REDACTED] on August 15, 2005 in the amount of \$1,804.19. In this instance, the bank statement for such account confirmed the money was in fact deposited into the account.

As discussed in the closing interview, union officers will make every effort to insure all such financial records are maintained in the future.

As agreed, provided that Local 10 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

I want to extend my personal appreciation to [REDACTED] 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 I can provide any additional assistance in the future, please do not hesitate to call.

Sincerely,

[REDACTED]
Investigator

cc: [REDACTED], Attorney