

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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June 23, 2006

Mr. George McGee, President
Air Traffic Controllers
Local ESW
PO BOX 161666
Ft. Worth, Texas 76161

Re: Case Number: ~~XXXXXXXXXX~~

Dear Mr. McGee:

This office has recently completed an audit of ATC LU ESW 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 Peter Healy on June 9, 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.

The CAP disclosed the following violations:

Recordkeeping Violations

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 audit of ATC LU ESW's 2005 records revealed the following recordkeeping violations:

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

Local ESW failed to maintain adequate records of cash received from members for Christmas party tickets sold. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source.

The local also failed to maintain membership meeting minutes. Unions are required to maintain records of membership meetings. The minutes should include the date and time of the meeting, along with any expenses or financial issues discussed. In the event a meeting is not held due to the lack of a quorum or a cancellation, a record should be maintained with the appropriate explanation.

I want to extend my personal appreciation to ATC LU ESW 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