

U.S. Department of Labor

Office of Labor-Management Standards
Newark Resident Investigative Office
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September 13, 2010

Mr. Kevin , Treasurer
National Staff Organization Ind.
New Jersey Association
180 West State Street
Trenton, New Jersey 08607

LM File Number 538-136
Case Number: [REDACTED]

Dear Mr. Kelleher:

This office has recently completed an audit of National Staff Association 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 on September 8, 2010, 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.

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 LM-3 filed by the National Staff Association for the fiscal years ended August 31, 2008 and August 31, 2009, was deficient in the following areas:

1. Disbursements to Officers

The National Staff Association did not include some reimbursements to officers totaling at least \$1000 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54.

The union must report most direct disbursements to officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Disbursements for Office and Administrative Expense

The audit disclosed that National Staff Organization reported some disbursements in Item 54 - Other Disbursements, that should be reported in Item 48.

National Staff Association must file an amended Form LM-3 for the fiscal years ended August 31, 2008 and August 31, 2009, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.dol.gov/olms). The amended Form LM-3 should be submitted to this office at the address provided as soon as possible, but not later than October 15, 2010. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to the National Staff Association 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,

Mr. Kevin Kelleher
September 13, 2010
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Investigator

cc: Thomas DeSocio, President