



January 15, 2013

Ms. Elena Azzinaro, President
Teachers, Local 6147
Campus Education Association
6395 Old Niagara Road
Lockport, NY 14094

Case Number: [REDACTED]
LM Number: 542-381

Dear Ms. Azzinaro:

This office has recently completed an audit of Teachers, Local 6147, Campus Education 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 Treasurer Terra Browne and you on January 14, 2013, 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 6147's 2012 records revealed the following recordkeeping violations:

1. General Disbursements

Local 6147 did not retain adequate documentation for checks issued during the period totaling at least \$115. For example, a check was made to Quality Markets for \$64.05, however no receipt was retained by the union.

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. Receipt Dates not Recorded

Entries in Local 6147's check register reflects the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Local 6147 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-4) filed by Local 6147 for the fiscal year ended June 30, 2012 was deficient in the following areas:

1. Failure to Report all Receipts

The OLMS audit found that the union's total receipts for the period exceeded \$10,000 and in fact, Local 6147 should be filing on a Form LM-3.

Teachers Local 6147 filed a Form LM-4, for use by labor organizations with less than \$10,000 in total annual receipts, reporting that the total receipts for fiscal year ending June 30, 2012 was \$9,707.

2. Failure to Report Disbursements

Local 6147 reported on the past two years LM-4 reports, that the total disbursements made by the organization was zero, when OLMS found that the union disbursed per capita tax payments and other disbursements during the period.

Teachers Local 6147 must file an amended Form LM-3 for the fiscal year ended June 30, 2012, to correct the deficient items discussed above. The LM-3 is required since the union's total receipts exceeded \$10,000 during the fiscal year. I encourage Local 6147 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than February 15, 2013 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Teacher's Local 6147 officers are currently not bonded. Local 6147's officers must be bonded for a minimum of \$1,437. Local 6147 should obtain adequate bonding coverage for its officers immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than February 15, 2013.

I want to extend my personal appreciation to Teachers, Local 6147 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

cc: Ms. Terra Browne, Treasurer