



July 30, 2010

Ms. Joyce Mauldin, Treasurer
NAPFE Local 604
PO Box 93056
Cleveland, OH 44101-5056

Case Number: [REDACTED]
LM Number: 510138

Dear Ms. Mauldin:

This office has recently completed an audit of NAPFE Local 604 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, President Patricia Harris, and District President Pearl Thompson on June 29, 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.

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 604's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 604 did not retain adequate documentation for reimbursed expenses. For example, \$2410 in union funds was given to [REDACTED] to cover the expenses incurred at the national convention by her, [REDACTED], and [REDACTED], but no receipts or vouchers were

found in the record to support this expenditure of union funds. Similarly, there was no documentation found in the union's record to support payments to [REDACTED] of \$750 for travel expenses associated with a conference and \$250 in expenses associated with the local's picnic.

As previously 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. Based on your assurance that Local XXX will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

2. Failure to Maintain Meeting Minutes

Article IV, section H, paragraph 4, of the NAPFE Local 604 Constitution & By-Laws stipulates that a record of the meetings of the local and executive board will be maintained. No meeting minutes were found in the union record for 2008.

Based on your assurance that Local 604 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 604 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year.

Local 604 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to NAPFE Local 604 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,

[REDACTED]
Investigator

cc: Ms. Patricia Harris, President