

U.S. Department of Labor

Employment Standards Administration
 Office of Labor-Management Standards
 Buffalo District Office
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 Buffalo, New York 14202
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May 19, 2005

Ms. Laurie D'Amico
 Secretary/Treasurer, LU 3721
 Teachers, AFL-CIO
 3745 Genesee Street
 Cheektowaga, NY 14225

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Dear Ms. D'Amico:

This office has recently completed an audit of Teachers, Local 3721 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 Ms. Batt on May 19, 2005, 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 record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, 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 recipients of the goods or services.

The following record keeping violations were revealed during the audit of Teachers, Local 3721 2004 records:

- Local 3721 failed to record in its records some employer dues check-off checks and some checks received from reimbursement for arbitration expenses. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date that the money was received, the identity of the source of the money, and the individual amount received from each source
- Vouchers and voided/cancelled checks were not retained for the purchase of services from the Federal Mediation and Conciliation Services. As we discussed, though the union does receive a copy of the cancelled check back, please retain some kind of documentation, as well as documenting it in the ledger

- The union failed to file the annual LM-3 report with our office in a timely manner, even after several attempts to obtain the report. Unions are required to file reports with this agency within 90 days of the end of the fiscal year, thus your union's reports are due by November 30

As agreed, provided that Local 3721 maintains adequate documentation for its disbursements in the future no additional enforcement action will be taken regarding this violation. You further agreed to file LM-3 reports in a timely manner.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report LM-3 filed by Local 3721 for fiscal year ending August 30, 2004 was deficient in the following areas:

- The union must retain records which adequately account for all property that is purchased, sold, and given away

I am not requiring that Local 3721 file an amended LM-3 report for 2004 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. Local 3721 amended its constitution and bylaws in 2001, but a copy of the constitution and bylaws was not filed with Local 3721's LM-3 report for that year.

A copy of Local 3721's constitution and bylaws have now been filed.

Also, I presented to you with a list of recommendations. Though not enforceable by our agency, these recommendation will aid in your recordkeeping requirements as well as aid in general book keeping.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Ms. Batt's successors at whatever time you may leave office.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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cc: Ms. Lisa Batt, President