

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Atlanta District Office
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Atlanta, GA 30303
(404) 562-2732 / FAX: (404) 562-2087



February 28, 2005

Eddie Burke

PACE LU 703

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Re: 2

Dear Mr. Burke:

This office recently completed an audit of PACE LU 703 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 01/14/05, 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 a violation of LMRDA Section 201(b) because the Labor Organization Annual Report (Form LM-3) filed by LU 703 for fiscal year ending December 31, 2003, was deficient. Since you have submitted a corrected annual report, no additional enforcement action will be taken regarding this violation.

The CAP also disclosed a violation of LMRDA Section 206. Section 206 requires unions to keep financial records for five years after LM reports are filed. Union officers and employees failed to retain adequate documentation for lodging expenses, attorney fees, and car rental expenses which were direct-paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record.

With respect to documentation retained in support of specific disbursements the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a 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.

As agreed, provided that Local 703 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to your 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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Investigator