

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
New York District Office  
201 Varick Street Room 878  
New York, New York 10014  
(646) 264-3190 / FAX: (646) 264-3191



January 20, 2005

State County and Municipal Employees  
Local 205  
75 Varick Street  
14<sup>th</sup> Floor  
New York, New York 10013

Re: 

Dear Mr. Mercado:

This office has recently completed an audit of FYE 5/31/2004 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, as Amended (LMRDA). As discussed during the exit interview with you on January 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.

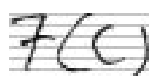
The CAP disclosed a violation of Title II of the LMRDA regarding the annual financial reports required by your organization under Section 201 (b) of the Act for fiscal year ending May 31, 2003 and May 31, 2004. Inasmuch as you have agreed to file the reports by February 15, 2005, no further action is contemplated at this time.

During the audit, I advised you that authorization of the salary amounts paid to union officers could not be found in union records. Although not required, it is strongly suggested that Local 205 take steps to record the authorized salary amounts by discussing them at a future meeting and recording them in meeting minutes or some other internal document. When the authorized salaries have been recorded in union records, I would appreciate it if you would forward a copy of the record documenting the authorization to me at the above address.

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 Mr. Huff's successors at whatever time you may leave office.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,



Investigator