



December 28, 2004

Ms. Joy Higgins  
Treasurer  
NYSUT, LU 3918  
St. Mary's School for the Deaf  
2253 Main Street  
Buffalo, New York 14214

Re

2

Dear Ms. Higgins:

This office has recently completed an audit of Teachers LU 3918 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 Kenneth Harmon and you on December 22, 2004, 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 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 CAP disclosed the following violations:

The names of some officers who held office during the year were not reported in item 24 with the total amount of payments to or for them. The names of all persons who held office during the year must be reported in item 24 regardless of whether or not they received any payments from the union.

- Adequate documentation was not retained for financial records. Canceled checks or debit memos were not retained as required. Please retain these documents, either originals or in duplicate forms, for your records.
- The LM that was filed by your union for the FYE June 30, 2004 was deficient. It will be necessary for Teacher LU 3918 to file amended LM-3 reports for 2004 to correct the deficient items discussed above. One copy of the amended report should be submitted to this office at the above

address as soon as possible, but no later than January 27, 2005. Before mailing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

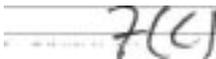
As agreed, provided that LU 3918 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

Furthermore, I advised that two signatures appear on the memo to the federal credit union for all disbursements. Next to each signature, the officer should sign or initial next to their name to authorize the disbursement. Additionally, make sure to fully document the information on a receipt, to include the purpose of the receipt and the names of individuals, if any, for any authorized disbursements.

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. Harmon's successors at whatever time you may leave office

I want to extend my personal appreciation for you and Kenneth Harmon'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,

A handwritten signature in blue ink, appearing to be "7(C)", is written over a horizontal line.

Investigator

cc: Kenneth Harmon, President