

U.S. Department of Labor

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August 3, 2005

Larry D. Brooker, Sr.
PACE International Union
12582 Pulaski Road
Jacksonville, FL 32218

Re: 2

Dear Mr. Brooker:

This office has recently completed an audit of PACE Local 3-446 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 August 3, 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. Only a few bills for credit card purchases, telephone and utility services were provided. Ledgers, original canceled checks, deposit slips, and bank statements were not provided at all or not in their entirety. Since we were able to obtain statements from the credit union and bank, which were reviewed and adequately documented transactions, and the local is no longer in existence, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 3-446 for fiscal year ending December 31, 2002 was deficient in that the cash flow did not reconcile. The audit showed the ending numbers for fiscal year ending December 31, 2001 were not properly carried over. Investment from a certificate of deposit was not included in the report. I am not requiring that Local 3-446 file an amended LM-3 report to correct the deficient items since the local is no longer in existence. No additional enforcement action will be taken regarding this violation.

The audit also revealed a violation of LMRDA Section 502 (Bonding) which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. The local was under bonded for the fiscal year ending December 31, 2002. However, a review of the total funds handled in 2003 revealed adequate bond coverage. Since the local is no longer in existence, no additional enforcement action will be taken regarding this violation.

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

Sincerely,

FCC