



September 6, 2005

Murray Vassar,
Treasurer
PACE, AFL-CIO
Local 01-32
130 Genesee Street, Suite 230
Auburn, NY 13021

RE: *z*

Dear Mr. Vassar:

This Office has recently completed an audit of PACE Local 32 under the Compliance Audit Program (CAP) to determine compliance with provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you on September 1, 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.

Although the majority of receipts were maintained, the union failed to maintain adequate receipts for some disbursements. The following record keeping violations were revealed during the audit of PACE Local 32's 2004 records.

- All credit card records were not maintained. There were six missing receipts of the 12 total charges and there were two statements not retained by the union.
- No receipts were maintained for the rent payments.
- A few payments for expenses owed to *9(1)* were not supported by a receipt.

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. 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 PACE Local 32 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The CAP also disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by PACE Local 32 for fiscal year ending December 31, 2004 was deficient in the following areas:

- Gross salaries were listed on the report for lost time claimed during the fiscal year however no deductions were withdrawn as required in Item 24, Line number 11.
- Officer's reimbursed expenses were not included on the report next to the officer's name in Column E of Item 24. The 2004 LM-3 report shows there are no expenses reimbursed back to officers, which is incorrect.
- All officers, as defined your constitution and bylaws, were not listed on the annual report, together with any payments made to them.
- Amounts entered in Item 25(B) for the start of the reporting period do not match the 2003's report end of year figures. The amount of the union's certificate of deposit was entered in investments, Item 28, rather than included as "cash" in Item 25.

All other areas of the report were accurately recorded. I am not requiring that PACE Local 32 file an amended LM-3 report for 2004 to correct these deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

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 thank you for all your cooperation and courtesy during this compliance audit. Please keep up the good work in complying with the LMRDA. 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,

FCC

Investigator