

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 28, 2009

Mr. Michael Wisniewski, Treasurer
State County & Municipal Employees AFL-CIO
Local 590
1606 Walnut Street
Philadelphia, PA 19103

LM File Number 512-836
Case Number: [REDACTED]

Dear Mr. Wisniewski:

This office has recently completed an audit of AFSCME Local 590 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 July 23, 2009, 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.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records 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, labor

organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 590's 2008 records revealed the following recordkeeping violations:

1. Failure to Maintain Supporting Documentation for Disbursements

Local 590 did not retain adequate documentation for disbursements totaling at least \$650. For example, in September 2007, Local 590 issued a \$250 check to AFSCME District Council 47. The local listed the disbursement as an office and administrative expense, yet the union's records did not specify the disbursement.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Local 590 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$699.42. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 590 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the

restaurant charges. For example, President Howard Deck was reimbursed at least \$699.42 for meal expenses. You had said that the meal expenses were most likely incurred during contract negotiations. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Lost Wages

Local 590 did not retain adequate documentation for lost wage reimbursement payments to you totaling at least \$1,687.58. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 590 did not maintain documents, such as expense vouchers, that detail the above stated information regarding lost time claims.

During the exit interview, I provided a sample of an expense voucher Local 590 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 590 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 590 amended its constitution and bylaws in 1995, but did not file a copy with its LM report for that year.

Local 590 has now filed a copy of its constitution and bylaws.

Mr. Michael Wisniewski

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I want to extend my personal appreciation to AFSCME Local 590 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Howard Deck, President