

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Nashville District Office
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May 20, 2005

Mr. Martin Chance, Treasurer
PACE, AFL-CIO
Local Union 1441
16 Deerfield Road
Selma, AL 36701-8318

Re: 2

Dear Mr. Chance:

This office has recently completed an audit of the PACE, AFL-CIO, Local Branch 1441, 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 and President, Marc Dearman, on April 29, 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 LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM-2 report when bylaw changes are made. Local 1441 amended its constitution and bylaws, but a copy of the constitution and bylaws was not filed with this office. No further action is required since a copy of the current constitution and bylaws has been received.

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 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.

During the audit, I advised you that authorization of the salary amounts paid to union officers could not be found in union records. Since the exit interview, you have provided copies of records showing past practices where officers have received monthly salaries,

and there is no change in the monthly amount. However, I suggest that Local 1441 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, such as the constitution and bylaws.

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

I want to extend my personal appreciation for your and your entire staff'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,

 H.C.J.

Investigator

cc: Marc Dearman, President