

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
New York District Office  
201 Varick Street – Room 878  
New York, NY 10014  
(646) 264-3190 / FAX: (646) 264-3191



November 11, 2005

Mr. Richard Adams  
President  
Government Employees, Local 1168  
130 West Kingsbridge Road  
Bronx, NY 10468

Re:

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Dear Mr. Adams:

This office has recently completed an audit of Local 1168 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, Mr. Lewis, and Mr. Andino on November 10, 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 that Local 1168 has failed to maintain adequate records to verify, explain, and clarify, or to use in checking the accuracy or completeness of reports required to be filed with the Secretary of Labor, in violation of Section 206 of the LMRDA. In particular, the audit disclosed a number of checks made payable to petty-cash for which the union did not maintain supporting documentation.

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, and the date, amount, and business purpose of every expense must be recorded on at least one union record.

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. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 1168's LM report. You should be aware that Section 206 of the LMRDA provides for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for willful failure to maintain records. Section 209(c) of the LMRDA provides for a fine of not more than \$10,000 or

imprisonment for not more than one year, or both, for willful destruction or falsification of records, and applies to any person (not just the individuals who are responsible for filing the union's LM report).

As agreed, provided that Local 1168 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

As you were advised, a CAP case is considered by this office to be a confidential proceeding in which records and documents provided are handled in a strictly confidential manner to the extent permitted by law. In conducting our review of your organization, we recognize the sensitive nature of all materials and records compiled during the audit, as well as related discussions with union officials. Accordingly, unless otherwise mandated by law, all findings and results of the CAP are conveyed only to the proper officials of your organization, to appropriate individuals within this Department, and, if necessary, to other law enforcement agencies.

I want to thank Ms. Correa for her cooperation and courtesy, and 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 contact me or any other representative of our office.

Sincerely,

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cc: Mr. Ronald Lewis, Vice President  
Mr. Albert Andino, Chief Shop Steward