



September 1, 2010

Mr. Richard Deering, President
AAUP Wilberforce Chapter
3520 Pebble Creek Drive
Beavercreek, OH 45432

Case Number: [REDACTED]
LM Number: 512-225

Dear Mr. Deering:

This office has recently completed an audit of AAUP Wilberforce Chapter 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 27, 2010, 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 the Wilberforce Chapter's 2005 through 2009 records revealed the following recordkeeping violations:

1. Missing Banking Records

The Wilberforce Chapter failed to maintain bank statements, for a five-year period, with the exception of two or three statements. Therefore, statements and other records had to be obtained from the bank prior to performing the audit. This resulted in the discovery of two union certificates of deposit of which the chapter was not aware.

2. Missing Disbursement Records

The Wilberforce Chapter failed to maintain supporting documentation, such as original bills, invoices, receipts, vouchers, or meeting minutes showing approval, for any of the checks it disbursed over the five-year audit period. For example, the chapter did not retain adequate documentation for reimbursed expenses and travel expenses incurred by former President Agboola totaling \$1,654. Although the chapter's disbursements appear to have been for union purposes, it is not possible to verify them all without the proper documentation.

As 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.

3. Missing Receipt Records

The Wilberforce Chapter failed to maintain adequate records for its income over the five-year audit period. For example, there were no original checkoff records or duplicate receipts showing the amounts of checkoff dues received from Wilberforce University or direct dues from members. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file the chapter's LM report. Your chapter should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

Reporting Violations

The audit disclosed violations of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations:

1. Delinquent Reports

The Wilberforce Chapter failed to file Labor Organization Annual Reports, Form LM-4, for its fiscal years ending December 31, 2007; December 31, 2008, and December 31, 2009. However, the chapter has since filed those reports and no further action is necessary.

2. Deficient Report

The Labor Organization Annual Report, Form LM-4, filed by the Wilberforce Chapter for its fiscal year ending December 31, 2006 was deficient in that it did not properly report a \$10,000 loan and \$8,000 grant received from the AAUP National. The chapter has since filed an acceptable amended LM-3 report and no further action is necessary.

I want to extend my personal appreciation to AAUP Wilberforce Chapter 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: Ms. Jaimie Pottorf, Executive Director