



April 29, 2015

Ms. Anna Bittner, President
State, County & Municipal Employees, AFL-CIO
Local 471
Post Office Box 55
Garrett, PA 15542

Case Number: 140-6002991()
LM Number: 530082

Dear Ms. Bittner:

This office has recently completed an audit of the State, County & Municipal Employees, AFL-CIO, Local 471 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 AFSCME District 83 Staff Representative Suzanne Albright on April 2, 2015, 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 471's 2013 records revealed the following recordkeeping violations:

1. Failure to Maintain Receipt Records

Local 471 failed to maintain deposit slips during the audit year. OLMS review found only one deposit slip. However, the audit found that the union was maintaining all other records associated with the monthly deposits (employer check-off lists, dues checks, etc.).

2. Failure to Properly Record Receipts and Disbursements

Local 471 failed to properly record receipts received during the audit year. Local 471 recorded \$9,297 in receipts; however bank records reflect the union received \$13,461.93. In addition, the union calculated \$67,616 in disbursements; however, bank records reflect the amount disbursed was \$1,885.95.

The union has agreed to keep all financial records and to properly record receipts and disbursements.

Based on your assurance that Local 471 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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

1. Filing of an LM-4 Report for the Fiscal Year Ending 12/31/2013

Local 471 filed an LM-4 report for the fiscal year ending December 31, 2013. Item 16 of the LM-4 report incorrectly identified the amount of receipts received during the union's fiscal year as \$9,297. In 2013, the union received \$13,461.93 in receipts. The LM-4 report is used by labor organizations with total annual receipts totaling \$10,000 or less. As Local 471 had receipts totaling more than \$10,000 but less than \$250,000 during 2013, the union should have filed an LM-3 report for the fiscal year ending December 31, 2013.

2. Miscalculation of Disbursements as Reported on the LM-4 Report

Item 17 of the LM-4 report lists \$67,616 in disbursements during the fiscal year. According to the union, a transcriptional error must have occurred when the LM report was completed. Bank records show \$1,885.95 was disbursed during the fiscal year.

During the exit interview, Local 471 filed an amended Form LM-3 for the fiscal year ended December 31, 2013. In the future, Local 471 is encouraged to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to the State, County & Municipal Employees, AFL-CIO, Local 471 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,

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Investigator

cc: Ms. Phyllis Flamm, President
Mr. Paul Kennell, Vice President
Ms. Suzanne Albright, AFSCME Staff Representative