



September 15, 2010

Mr. Mark Dotterweich, Treasurer
State, County & Muni Empls
Region 6, CSEA
24 Falconer Street
North Tonawanda, NY 14120-6107

Case Number: [REDACTED]
LM Number: 517897

Dear Mr. Dotterweich:

This office has recently completed an audit of CSEA Region 6 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 Florence Tripi on September 9, 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 Region 6's 2009 records revealed the following recordkeeping violations:

1. Meal Expenses

Region 6 did not maintain itemized receipts for meal expenses totaling at least \$712. 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.

The Region's records of meal expenses also did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a reimbursement of \$497 to President Florence Tripi for a meal was not supported with an itemized meal receipt or names of individuals present. 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.

2. Reimbursed Auto Expenses

Region officers and employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them. Specifically, the Region did not require those receiving mileage reimbursements to identify the specific starting and ending locations traveled to and from.

The Region must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Source of Receipts

The Region many times did not record in its receipt records the source of the receipt. For example, the income register would list a general entry of "Region Dues" or "Various" in the source column. 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.

Based on your assurance that Region 6 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. The Labor Organization Annual Report (Form LM-2 / LM-3) filed by CSEA Region 6 for fiscal year ending September 30, 2009, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Region 6 did not include some payments to officers totaling at least \$6,508 in the amounts reported Item 24 (All Officers and Disbursements to Officers). For example, payments for meals and honorariums were not reported in Item 24, Column E (Allowances and Other Disbursements). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Region 6 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Disbursements to Employees

The Region did not include some payments to employees in Item 46 (Disbursements to Employees) totaling at least \$1,860. The region must report most direct and indirect disbursements to Region employees in Item 46, less deductions. This includes disbursements to individuals other than officers who receive payments for work performed or expenses incurred, including mileage. It appears the union reported these payments in Item 54 (Other Disbursements).

I am not requiring that Region 6 file an amended LM report for 2009 to correct the deficient items, but Region 6 has agreed to properly report the deficient items on all future reports it files with OLMS.

Mr. Mark Dotterweich

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I want to extend my personal appreciation to CSEA Region 6 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: Florence Tripi, President
120 Pineview Drive
Amherst, NY 14228

Nancy Hoffman, General Counsel CSEA
143 Washington Avenue
Albany, NY 12210