

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
170 S. Independence Mall West
Room 760
Philadelphia, PA 19106
(215)861-4818 Fax: (215)861-4819



May 29, 2007

Ms. Joyce Lindorff, President
Teachers AFL-CIO
Local 4531
Barton Hall A-231
Philadelphia, PA 19122

LM File Number 504-587

Case Number: [REDACTED]

Dear Ms. Lindorff:

This office has recently completed an audit of Temple University Local 4531 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, Treasurer Alfred Findeisen and Executive Director John DiBenedetto on May 21, 2007, 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 Temple University Local 4531's 2005 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 4531 did not require officers and employees to submit itemized receipts for meal expenses. 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.

Local 4531 records of meal expenses did not always include the names and titles of the persons incurring the restaurant charges. 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. Credit Card Expenses

Local 4531 did not retain adequate documentation of credit card expenses incurred by Executive Director John DiBenedetto. For example, DiBenedetto made a Visa check card disbursement of \$353.07 to Staples on September 28, 2005 for the purchase of three telephones. The receipt for the purchase is not in the union's records.

As previously 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. Lack of Salary Authorization

Local 4531 did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) of the LM-2 were the authorized amounts and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

During the audit, Local 4531 remedied this violation. On May 8, 2007 the executive board met and authorized salaries for all union officers. You provided OLMS with a copy of the meeting minutes from the executive board meeting.

Based on your assurance that Local 4531 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 filed by Local 4531 for fiscal year ending December 31, 2005, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 4531 did not include meal disbursements on behalf of officers and employees in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G

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(Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.


2. Cash Reconciliation

It appears that the cash figures reported in Statement A (Assets and Liabilities) are not the cash figures according to the union's books after reconciliation to the bank statements. During the audit it was determined that Local 4531 reported its cash figures based upon the accrual method of accounting. Instructions for the LM-2 require that the form be completed based upon the cash method of accounting.

During the audit Local 4531 submitted an amended LM-2 for fiscal year ending December 31, 2005 which reported the union's assets and liabilities based on the cash method of accounting. Local 4531 also agreed to properly report the above mentioned deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Temple University Local 4531 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: Executive Director, John DiBenedetto