

**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



October 9, 2009

Ms. Yvonne Watkins, President  
Teachers (AFT) AFL-CIO  
Local 7902  
70 Overrocker Road  
Poughkeepsie, NY 12603

Re: Case Number: [REDACTED]

Dear Ms. Watkins:

This office has recently completed an audit of AFT Local 7902 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 Gloria O'Leary and yourself on October 9, 2009, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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. 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 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 note can be written on it providing the additional information. An exception may be made only in

those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 7902's 2008 records revealed the following recordkeeping violations:

The union failed to maintain adequate documentation in the following areas: meeting minutes, receipts and disbursements records generated by the union and bank records (statements and cancelled checks). Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that Local 7902 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA Section 201(a) which requires that a union submit a copy of its revised constitution and bylaws with its LM report when constitution or bylaw changes are made. Local 7902 amended its constitution and bylaws in 2008, but a copy was not filed with its LM report for that year. A copy of Local 7902's constitution and bylaws has now been filed.

The CAP 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 Reports (Form LM-3) filed by Local 7902 for fiscal years ending August 31, 2007 and August 31, 2008, were deficient in the following areas:

Local 7902 failed to complete Item 20 of the 2007 LM-3 report and Items 20 and 22 of the 2008 LM-3 report. Further, there is a discrepancy between assets reported at the end of fiscal year 2007 and the beginning of fiscal year 2008; and some items on both reports do not contain a number or zero, as indicated by the filing instructions.

Local 7902 must file an amended Form LM-3 for fiscal years ending August 31, 2007 and 2008, to correct the deficient items discussed above. I provided you with a blank

Ms. Yvonne Watkins  
October 9, 2009  
Page 3 of 3

form and instructions, and discussed with you the availability of the reporting forms and instructions on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)).

The amended Forms LM-3 should be submitted to this office at the above address as soon as possible, but not later than October 30, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to AFT Local 7902 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: AFT Secretary-Treasurer, Antonia Cortese