



February 1, 2011

Mr. David Whitiak, Treasurer
National Treasury Employees Union (NTEU) Chapter 22
600 Arch Street
Suite 16240
Philadelphia, PA 19106

Case Number: [REDACTED]
LM Number: 502-293

Dear Mr. Whitiak:

This office has recently completed an audit of NTEU Chapter 22 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you and President Wanda Long on January 12, 2011, 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 Violation

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provisions of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organizations must retain 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 identify 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 the money. The labor organization must also retain bank records for all accounts.

The audit of NTEU Chapter 22 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Chapter 22 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$645.49. For example there was no back-up documentation for two credit card purchases of \$78.80 on October 9, 2009 and \$174.55 on December 14, 2009. Additionally, travel expenses of \$392.14 incurred by Chapter President Wanda Long in September 2010 while conducting union business at several locations during labor recognition week did not have adequate back-up 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.

Based on your assurance that Chapter 22 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (See Section 201(b) of the Labor-Management Reporting and Disclosure Act (LMRDA) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report Form LM-3 filed by NTEU Chapter 22 ending September 30, 2010, was deficient in that:

1. Disbursements to Officers

Chapter 22 did not include some reimbursements to officers totaling at least \$981.80 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expenses). Specifically, disbursements made to Treasurer David Witiak, Vice Presidents Joseph Napierkowski and Wayman Blackstock and President Wanda Long in the amounts of \$123.70, \$230.00, \$248.50 and \$379.60 respectively were not included in Item 24 (All Officers and Disbursements to Officers) Column E (Allowances and Other Disbursements).

The union must report most direct disbursements to Chapter 22 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

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. Failure to File Bylaws

Pursuant to 29 C.F.R. Section 458.3, the requirement under 29 C.F.R. Section 402.4 implementing LMRDA Section 201(a) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file copies of any revised constitution and bylaws when it files its annual financial report. The audit disclosed a violation of this requirement. Chapter 22 amended its constitution and bylaws in 2001, but did not file the required copies with its LM report for that year.

As agreed, Chapter 22 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than March 1, 2011.

I am not requiring that Chapter 22 file an amended LM report for FYE September 30, 2010 to correct the deficient items, but Chapter 22 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to NTEU Chapter 22 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. Wanda Long, President