

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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December 22, 2009

Conny Ford, Secretary-Treasurer
Office & Professional Employees AFL-CIO
Local 3
1050 South Van Ness Ave, Suite 201
San Francisco, CA 94110-2616

LM File Number: 006-141
Case Number: [REDACTED]

Dear Ms. Ford:

This office has recently completed an audit of Local 3 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 Bookkeeper Irene Smith on December 21, 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.

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 3 for fiscal year ending June 30, 2009, was deficient in the following areas:

1. Failure to Report Officers

Schedule 11 (All Officers and Disbursements to Officers) did not list all constitutional officers. All elected constitutional officers who held office during the year must be listed in Schedule 11 regardless of whether they received any payments from the union.

2. Failure to Report Employees

Three employees who should have been listed on Schedule 12 (Disbursements to Employees) were incorrectly listed on Schedule 11. Also, Schedule 12 should have included disbursements to individuals other than officers who received lost time payments even if the union does not otherwise consider them to be employees or does not make any other direct or indirect disbursements to them. It appears that disbursements for lost time wages which should have been reported on Schedule 12 were actually reported on Schedule 15 (Representational Activities).

3. Failure to File Bylaws

The audit 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 it makes changes to its constitution or bylaws. Local 3 amended its constitution and bylaws in October 2005, but did not file a copy with its LM report for that year. Local 3 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 3 file an amended LM report for 2009 to correct the deficient items, but Local 3 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. The audit revealed that Local 3's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

Letter/Ms. Conny Ford

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I want to extend my personal appreciation to 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,



Supervisory Investigator

cc: Hang Le To, President