

**U.S. Department of Labor**

Employment Standards Administration  
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May 14, 2009

Ms. Patricia Priloh, President  
Office & Professional Employees (OPEIU), AFL-CIO  
Local Union 457  
P.O. Box 460  
Fredericktown, PA 15333-0460

LM File Number 069-307

Case Number: [REDACTED]

Dear Ms. Priloh:

This office has recently completed an audit of OPEIU Local 457 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 on April 30, 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-3) filed by Local 457 for fiscal year ending December 31, 2007, was deficient in the following area:

Disbursements to Officers

Local 457 did not include some reimbursements to officers totaling at least \$3,805.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 457 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).

Local 457 must file an amended Form LM-3 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. You provided an unsigned copy of an amended 2007 LM-3 report you prepared prior to the Organizational Interview. You signed and submitted the report at the exit interview, and agreed to properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to OPEIU Local 457 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: Kathleen Skrobacs, OPEIU LU457 Treasurer