



March 31, 2016

[REDACTED], President  
Workers United, SEIU Local 12  
[REDACTED]

Case Number: 350-6006355 [REDACTED]  
LM Number: 069609

Dear Mr. Coletta:

This office has recently completed an audit of Workers United, SEIU Local 12, 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). Because you and Chicago and Midwest Regional Joint Board (CMRJB) business representatives servicing the local union indicated all communication should be through CMRJB staff in Chicago, an exit interview was not conducted with the local union. 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 violations of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. When a consolidated labor organization annual report is filed by an intermediate body, (1) each constituent local union must file a separate negative annual report properly signed, (2) the intermediate body must report the names of officers of the constituent locals to whom any payments have been made together with the purpose and amount of such payments, and (3) each of the locals included in the report can neither receive nor handle any funds, nor hold title alone to any assets or other property. All relevant questions are to be completed, and the intermediate body with which the local is affiliated indicated on the negative report as well as a showing made that the local has no receipts, no disbursements, no assets, and no liabilities. Please consult the LM Instructions for additional guidance, specifically Item X of the LM-2 Instructions.

The audit of Local 12 revealed the Labor Organization Annual Report Form LM-4 filed by Local 12 and the Labor Organization Annual Report Form LM-2 filed by the CMRJB for the fiscal year ended December 31, 2014 are deficient in the following areas:

1. Local 12's president and treasurer or corresponding principal officers should sign the local's separate "negative" report.

2. Local 12 should explain in Item 19 (Additional Information) the nature of the dues check-off arrangement with the CMRJB.
3. The CMRJB must itemize on its report the officers of Local 12 and the other affiliated locals without a separate treasury.
4. The 2014 LM-4 for Local 12 and the 2014 LM-2 for the CMRJB did not show that a consolidated reporting system is being used in the Additional Information Summary.
5. The 2014 LM-4 for Local 12 and the 2014 LM-2 for the CMRJB did not show that Local 12 has no receipts, no disbursements, no assets, and no liabilities in the Additional Information Summary.
6. The 2014 LM-4 for Local 12 did not cross reference the CMRJB LM 511-518 file number for the consolidated reporting in the Additional Information Summary.
7. The 2014 LM-2 for the CMRJB did not disclose that a separate annual report on the financial condition and operations can be produced for Local 12 in the Additional Information Summary.

At this time, I am not requiring that Local 12 or the CMRJB file an amended LM report for 2014 to correct the deficient items, but Local 12 and the CMRJB should properly report the deficient items on all future reports filed with OLMS.

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: , CMRJB Chief of Staff  
Edgar Romney, Workers United Secretary-Treasurer