

**U.S. Department of Labor**

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September 8, 2008

Ms. Leslie Pano, Treasurer  
Maintenance and Service Employees of America  
P.O. Box 812175  
Wellesley, MA 02482

LM File Number: 053-236

Case Number: [REDACTED]

Dear Ms. Pano:

This office has recently completed an audit of the Maintenance and Service Employees of America 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 September 5, 2008, 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 Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five 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, labor organizations must maintain 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 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 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 that money. The labor organization must also retain bank records for all accounts.

The audit of the Maintenance and Service Employees Union of America's records revealed the following recordkeeping violations:

1. Failure to Maintain Receipt Records

The Maintenance and Service Employees Union destroyed many of its dues income check stubs and check-off list documentation provided by the employer, Wellesley College. For example, the union failed to maintain dues check-off payment records from the employer for all but the last week of the audit year totaling at least \$65,010.11 in dues receipts that lacked supporting documentation.

2. General Expenses

The Maintenance and Service Employees Union did not maintain adequate documentation for at least \$1000.00 in disbursements for the [REDACTED] retirement party. As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer 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 the Maintenance and Service Employees Union will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### 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 the Maintenance and Service Employees Union for fiscal year ending 06/30/2007, was deficient in the following area:

#### Failure to File Constitution and 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. The Maintenance and Service Employees Union amended its constitution and bylaws in 2002, but did not file a copy of the amended constitution and bylaws with its LM report for that year.

The Maintenance and Service Employees Union has now filed a copy of its constitution and bylaws.

### Other Issues

#### Duplicate Receipts

Members of The Maintenance and Service Employees Union pay arrearage dues directly to the union. The union treasurer records these dues payments in the union's receipts journal, but she does not issue receipts to the dues payers. OLMS recommends that The Maintenance and Service Employees Union use a duplicate receipt system where the union issues original pre-numbered receipts to all members who make payments directly to the union and retains copies of those receipts. A duplicate receipt system is an effective internal control because it ensures that a record is created of income which is not otherwise easily verifiable. If more than one duplicate receipt book is in use, the union should maintain a log to identify each book, the series of receipt numbers in each book, and to whom each book is assigned.

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I want to extend my personal appreciation to the officers of The Maintenance and Service Employees 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,

Mark Letizi,  
District Director

cc: Mr. John Brown, President