

**U.S. Department of Labor**

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March 29, 2007

James Moore, President  
State, County & Municipal Employees AFL-CIO  
CSEA Region V - Central  
6595 Kirkville Rd  
East Syracuse, NY 13057-9809

Re: Case No. [REDACTED]

Dear Mr. Moore:

This office has recently completed an audit of Civil Service Employees Association (CSEA) Region V 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 with Treasurer Casey Walpole during the exit interview on March 22, 2007 the following deficiencies 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The audit of Region V's 2006 records revealed the following recordkeeping violations:

Union officers and employees failed to maintain adequate documentation for reimbursed expenses that were direct-paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source. (For example, no supporting documentation was found for a March 2006 deposit).

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As agreed, provided that Region V maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

The CAP 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 Region V for fiscal year ending September 30, 2006, was deficient in the following areas:

Region V failed to include salary payments and some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). Such payments were reported in Item 48 or Item 54.

All direct disbursements to Region V officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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).

I am not requiring that Region V file an amended LM report for 2006 to correct the deficient items, but as agreed, Region V will properly report the deficient items on all future reports filed with this agency.

The CAP also 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 constitution or bylaw changes are made. The copy on file for Region V was dated March 1999. A current copy of Region V's constitution and bylaws was provided and has now been filed.

I want to extend my personal appreciation to you and your staff for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

[REDACTED]  
Investigator

cc: Kathleen (Casey) Walpole – Treasurer