

Local 280 failed to maintain records necessary to verify and explain or clarify the accuracy or completeness of reports required to be filed with the Secretary of Labor. Specifically, adequate documentation was not retained for the Union Federal Bank – Strike Fund account.

As agreed, provided that Local 280 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violation

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 280 for fiscal year ending September 30, 2010, was deficient in the following area:

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 280 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year.

Local 280 has now filed a copy of its constitution and bylaws.

Other Issue

The audit disclosed the following other issues:

Use of Signature Stamp

During the audit, you advised that it is Local 280's practice for former Treasurer ||| to sign all union checks and to sometimes stamp the signature of President Richard Castro on union checks. Article VI - Part A, Section 10 and Part C, Section 8 of Local 280's bylaws requires that checks be signed by the president, secretary, and/or a designated vice president. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 280 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Service Employees AFL-CIO LU 280 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,

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Investigator

cc: Richard Castro, President