



August 3, 2012

Ms. Kari Shaw, Treasurer
Teachers, Adjuncts United,
NYSUT, AFT
[REDACTED]

Case Number: [REDACTED]
LM Number: 543-480

Dear Ms. Shaw:

This office has recently completed an audit of Teachers Adjuncts United 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 Vice President Laurel Morton and you on August 2, 2012, 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 Teachers Adjuncts United 2011 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Adjuncts United did not retain adequate documentation for reimbursed expenses incurred by President Jeanette Jeneault totaling at least \$108. For example, the union failed to retain a receipt for the meeting refreshments purchased.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meeting Minutes not Recorded

During the audit, you advised OLMS that minutes of executive committee meetings are not taken at this time or if taken, not retained properly. Minutes of all membership or executive board meetings must be recorded and retained, and should report any disbursement or other authorizations made at those meetings.

Based on your assurance that Adjuncts United 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 Teachers Adjuncts United for the fiscal year ended July 31, 2011, was deficient in the following area:

Disbursements to Officers (LM-3)

Teachers Adjuncts United did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. For example, officers of the Executive Committee are officers of the union and should be reported in Item 24.

In addition, the union did not include some reimbursements to officers totaling at least \$1,483 in the amounts reported Item 24. It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to union 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).

I am not requiring that Teachers Adjuncts United file an amended LM report for 2011 to correct the deficient items, but the union has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to the Adjuncts United 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Ms. Jeanette Jeneault, President
Ms. Laurel Morton, Vice President