

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Chicago District Office
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Chicago, IL 60604
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February 7, 2008

Mr. Robert Chute, Vice-President
Association of Court Security Officers
Northern Indiana
401 S. Michigan St.
South Bend, IN 46601

LM File Number: 541-624
Case Number: [REDACTED]

Dear Mr. Chute:

This office has recently completed an audit of the Association of Court Security Officers of Northern Indiana (Association) 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 January 23, 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.

Violations:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. The Association's officers are not currently bonded, but they must be bonded for at least \$2,418. The Association should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but no later than February 21, 2008.

Other Issue:

Failure to Use Dual Signatures

During the audit, former Secretary-Treasurer Jerry Rutkowski informed me that only he signed all checks. Your union's bylaws require that two signatures be present on all checks. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a complete document already signed. However, requiring only one signature does not attest to the authenticity of a complete check, and negates the purpose of the two signature requirement. OLMS recommends that the Association come into compliance with its bylaws and review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to the Association of Court Security Officers of Northern Indiana 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,



Investigator

cc: Thomas "Scott" Stuart, President