



May 4, 2016

Mr. Jose Rodríguez, President
Movimiento Solidario Sindical
Box 361463
San Juan, PR 00936-1453

Case Number: 130-6007010
LM Number: 544190

Dear Mr. Rodriguez:

This office has recently completed an audit of Movimiento Solidario Sindical 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 May 2, 2016, 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 Movimiento Solidario Sindical 2015 records revealed the following recordkeeping violations:

1. General Disbursements

Movimiento Solidario did not retain adequate documentation for several expenses (listed below) totaling \$2,650.00. These disbursements were discussed and approved during meeting minutes but backup documentation was not provided.

Payee	Check #	Date	Amount	Purpose per union voucher
[REDACTED]	[REDACTED]	9/8/14	\$800.00	Art shirts, banners
[REDACTED]	[REDACTED]	7/11/14	\$850.00	"Refresco" campaign 1 wk.
[REDACTED]	[REDACTED]	9/7/14	\$250.00	Transportation of SG FSV
[REDACTED]	[REDACTED]	2/4/14	\$150.00	Solidaridad campaign
Jose Rodriguez	[REDACTED]	4/27/14	\$600.00	Cuba trip

During the exit interview you explained that the payments to Triple-S and Delta Dental Plan were the union's contribution to your health and dental plan. As discussed these payments should be accompanied by a bill, and meeting minutes related to the approval of these benefits should be available.

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.

During the exit interview, I provided compliance assistance and provided sample of an expense voucher Movimiento Solidario may use to satisfy this requirement.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Movimiento Solidario Sindical's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

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 Movimiento Solidario for the 2013-2015 fiscal years, were deficient in the following areas:

1. Disbursements to Officers and Other Expenses (LM-3)

Movimiento Solidario Sindical did not include some reimbursements to officers in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments to the end of the natural year and not the fiscal year. This caused a Cash Reconciliation difference.

Movimiento Solidario must file an amended Form LM-3 for the fiscal years ended January 31, 2013-2015, to correct the deficient items discussed above. I encourage the union to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than May 31, 2016 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

2. 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. Movimiento Solidario has never filed a copy with its LM report.

As agreed, Movimiento Solidario will file a copy of its current constitution and bylaws with OLMS along with their 2016 LM report.

Other Violations

The audit disclosed the following other violation(s):

1. 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.

Movimiento Solidario 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 not later than May 31, 2016.

I want to extend my personal appreciation to Movimiento Solidario Sindical 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 used to redact the signature of the investigator.

Investigator