

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
1000 Liberty Avenue
Room 1411
Pittsburgh, PA 15222
(412)395-6925 Fax: (412)395-5409



September 4, 2008

Ms. Linda Hutchison, Treasurer
PSEA Armstrong Nurses
215 Cedar Drive
Kittanning, PA 16201

LM File Number 543-084
Case Number: [REDACTED]

Dear Ms. Hutchison:

This office has recently completed an audit of Armstrong Nurses 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 and President Terry Myers on August 26, 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.

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 Armstrong Nurses 2006 and 2007 records revealed the following recordkeeping violations:

1. General Records

The Nurses failed to maintain records that support the general course of union business. For example, check number [REDACTED] was written on May 6, 2006 to Eat and Park for gift cards. No receipt for the restaurant and no supporting documentation showing who received the gift cards were maintained in union records.

Based on your assurance that the Armstrong Nurses will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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-4 filed by the Armstrong Nurses for fiscal year ending August 31, 2007, was deficient in the following areas:

1. 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. The Armstrong Nurses amended its constitution and bylaws, but did not file a copy with its LM report.

The Armstrong Nurses have now filed a copy of its constitution and bylaws.

2. Receipts and Disbursements

The audit also disclosed that receipts and disbursements were not reported correctly on the LM-4 form that was filed for FYE 2007. Receipts of \$21,049.50 were revealed during the audit and only \$9,776 was reported in item 16. Labor organizations with annual receipts of \$10,000 or more are required to file an LM-3 report. Also, more than \$6,536.72 in disbursements were revealed during the audit and only \$1,426 in disbursements was reported in item 17.

Armstrong Nurses must file a Form LM-3, instead of a Form LM-4, for fiscal year ending August 31, 2007, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 22, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Armstrong Nurses 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: Local President Terry Myers
Lynda Meinke, PSEA Staff Attorney