

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Seattle District Office  
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February 8, 2008

Ms. Madeline M. Garland, Treasurer  
Washington Education Association Staff Organization  
10427 SE 244th Street  
Kent, WA 98030

LM File Number: 512-625  
Case Number: [REDACTED]

Dear Ms. Garland:

This office has recently completed an audit of Washington Education Association Staff Organization (WEASO) 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 February 7, 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.

#### 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 LM-3 filed by WEASO for fiscal year ending August 31, 2007, was deficient in the following area:

#### Disbursements to Officers

WEASO did not include any reimbursements to officers totaling at least \$15,000 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54.

Also, WEASO 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.

The union must report most direct disbursements to WEASO 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).

WEASO must file an amended Form LM-3 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](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than March 7, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

#### Other Issues

##### Use of Signature Stamp

During the audit, you advised that it is WEASO's practice to stamp signatures on all union checks. You indicated you are the only person that reviews the checks before they are issued. Article III of WEASO's bylaws requires that checks be signed by the treasurer along with the president or 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 WEASO review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Washington Education Association Staff Organization 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,

Letter/Ms. Madeline M. Garland

February 8, 2008

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Investigator

cc: Mr. Michael Boyer, President