

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
170 S. Independence Mall West
Room 760
Philadelphia, PA 19106
(215)861-4818 Fax: (215)861-4819



March 28, 2008

Mr. Anthony Tetti, President
Service Employees
Local 252
3 E. Wynnewood Road
Wynnewood, PA 19096

LM File Number 010-305

Case Number: [REDACTED]

Dear Mr. Tetti:

This office has recently completed an audit of Service Employees Local 252 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 March 27, 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 Local 252's 2007 records revealed the following recordkeeping violations:

1. Union Owned/Leased Vehicles

The union did not maintain records necessary to verify the accuracy of the information reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2.

Local 252 incurred expenses totaling at least \$20,625.41 for automobiles during 2007. However, Local 252 did not maintain records documenting business versus personal use of the union vehicles.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedules 11 and 12 of the LM-2, allocated to the officer or employee to whom each vehicle is assigned.

For each trip they take using a union owned or leased vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

2. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the executive board approves disbursements. However, the executive board minutes do not contain any reference to the approvals for disbursements. Minutes of meetings do not contain specifics amounts for disbursements and the approval for those disbursements. Minutes of all executive board meetings must report all disbursement approvals made at those meetings.

During the Exit Interview, you advised the local has instituted a procedure in which the executive board reviews and approves all union expenditures. A monthly list of checks issued and the union purpose for each check is reviewed by each executive board member and signed acknowledging review of union disbursements. The approval is recorded in the Executive Board Meeting Minutes documenting approval of each expenditure of union funds.

Based on your assurance that Local 252 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

Inadequate Bonding

LMRDA Section 502 (Bonding) 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 LM-2 report filed for FYE 12/31/06 revealed that Local 252's officers and employees were not bonded for the minimum amount required. However, the union obtained adequate bonding coverage prior to the audit and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Service Employees Local 252 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,

Mr. Anthony Tetti
March 28, 2008
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Investigator

cc: Rocco Mastrocola, Treasurer