

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
1222 Spruce Street, Room 9.109E
St. Louis, MO 63103
(314) 539-2667 Fax: (314) 539-2626



August 25, 2009

Mr. Steve Gorley, Office Manager
Service Employees AFL-CIO
Joint Council 29
2725 Clifton Ave
St. Louis, MO 63139

LM File Number 025-384
Case Number: [REDACTED]

Dear Mr. Gorley:

This office has recently completed an audit of SEIU Joint Council 29 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 August 20, 2009, 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 Joint Council 29's 2008 records revealed the following recordkeeping violations:

1. Meal Expenses

Joint Council 29 did not require officers and employees to submit itemized receipts for meal expenses. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

2. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the executive board authorized contributions at its quarterly meetings. Article XIII, Section 4 of SEIU Missouri/Kansas State Council Constitution and Bylaws requires that all donations or contributions for civic, social, political, cultural, educational or charitable purposes must first be approved by the executive board, subject to the approval or ratification of a meeting of the delegates. However, the minutes of the meetings do not contain reference to all those issues. Minutes of all executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Joint Council 29 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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. Joint Council 29 amended its constitution and bylaws, but did not file a copy with its LM report.

Joint Council 29 has now filed a copy of its constitution and bylaws.

Other Violation

The audit disclosed the following other violation:

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.

Joint Council 29's officers and employees are currently bonded for \$70,000, but they must be bonded for at least \$119,511. Joint Council 29 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 September 11, 2009.

I want to extend my personal appreciation to SEIU Joint Council 29 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: Nancy Cross, Treasurer

Mr. Steve Gorley
August 25, 2009
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