

U.S. Department of Labor

Office of Labor-Management Standards
Newark Resident Investigator Office
Room 204
190 Middlesex-Essex Turnpike
Iselin, New Jersey 08830
(732)750-5661 Fax: (732)750-5963



October 6, 2010

Ms. Margaret Hoydis, Controller
Hospital & Health Care Employees Leadership Council
9-25 Allings Street
Fourth Floor
Newark, New Jersey 07102

Re: Case Number: [REDACTED]

Dear Ms. Hoydis:

This office has recently completed an audit of Hospital & Health Care Employees Leadership Council 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 September 30, 2010, the following problem was disclosed during the CAP. The matter below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Fidelity bond coverage is insufficient to meet the minimum requirements of the LMRDA. Act Section 502 (29 U.S.C. 502) mandates that every officer, agent, shop steward, or other representative or employee of any labor organization shall be bonded to provide protection against loss by reason of acts of fraud or dishonesty on his part or through connivance with others. The bond for each person shall be in an amount not less than ten per centum of funds handled by him and his predecessors, if any, during the preceding year, but in no case more than \$500,000. Based upon the financial information contained in the LM-2 filings, the minimum coverage necessary is \$500,000 for all officers, agents, and employees handling the funds of the labor organization. There should be no deductible, as the coverage must be for first dollar loss. Coverage should be with an acceptable surety as listed in U.S. Treasury Circular 570.

Mr. James Cocchia
October 5, 2010
Page 2 of 2

Kindly provide documentary proof that the above has been remedied. It should be forwarded to me at the above address and received here no later than November 10, 2010.

I wish to extend my appreciation to the officers and employees of Hospital & Health Care Employees Leadership Council for the cooperation extended to us during our compliance audit. 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 sender.

Senior Investigator