



July 9, 2012

Mr. Rocky W. Maxson
Machinists AFL-CIO
New York State Council
9472 Route 289
Adams, NY 13605-2509

Case Number: [REDACTED]
LM Number: 040877

Dear Mr. Maxson:

This office has recently completed an audit of Machinists NY State 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 June 18, 2012, 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 Violation

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-3) filed by Machinists NY State Council for the fiscal year ended December 31, 2011, was deficient in that:

1. Disbursements to Employees

Machinists NY State Council answered "No" in Item 17 (Did the labor organization pay any employee salary, allowances, and other expenses which, together with any other payments from affiliates, totaled more than \$10,000) on their LM-3 report filed for fiscal year ending December 31, 2011. During the reporting period Deanna Giordano was paid \$2,600 by the NY State Council for bookkeeping services. During the same period, Ms. Giordano was paid \$25,660 by Machinists District Lodge 15 (LM #007879) as their Executive Assistant according to their LM-2 report. Item 17 should have been checked "Yes" with an explanation in Item 56.

I am not requiring that Machinists NY State Council file an amended LM report for 2011 to correct the deficient items, but Machinists NY State Council has agreed to properly report the deficient items on all future reports it files with OLMS.

2. 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. Machinists NY State Council amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Machinists NY State Council has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Machinists NY State Council 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Mr. James Conigliaro, President