



February 5, 2016

Ms. Nadine Patterson, President  
Legal Aid Bureau of Buffalo  
237 Main Street  
Buffalo, NY 14203

Case Number: 110-6005812 [REDACTED]  
LM Number: 543890

Dear Ms. Patterson:

This office has recently completed an audit of Legal Aid Bureau of Buffalo 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 December 11, 2015, 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 Legal Aid Bureau of Buffalo for the fiscal year ended December 31, 2014, was deficient in that:

#### Failure to Report Receipts

Legal Aid failed to report all receipts totaling \$3,603. The audit revealed dues receipts deposited to the union's money market savings account totaling \$3,570 were missed and not reported on the form in Item 38 Dues. Additionally \$33 was not included in Item 41, Interest and Dividends. This failure to report all receipts therefore affected the ending cash balance in Item 25 (B).

I am not requiring that Legal Aid file an amended LM report for 2014 to correct the deficient items, but Legal Aid has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Signature on Checks

During the audit, you advised that it is Legal Aid's practice for you to sign all union checks solely. 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. Having only one signature on checks does not attest to the authenticity of the completed check. OLMS recommends that Legal Aid review these procedures to improve internal control of union assets.

I want to extend my personal appreciation to Legal Aid 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 used to redact the signature of the investigator.

Investigator