

U.S. Department of Labor

Office of Labor-Management Standards
New York District Office
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By Electronic Mail
September 19, 2019

Mr. John Murphy President
Teachers Local 3739
72 South Woods Road
Woodbury, NY 11793

Case Number: 130-6014846 [REDACTED]
LM Number: 516406

Dear Mr. Murphy:

This office has recently completed an audit of Teachers Local 3739 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 on July 19, 2019, 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 3739's 2016 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 3739 did not retain adequate documentation for cash collected or disbursed for the annual holiday party.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of

your union, who are required to sign your union's LM report, are responsible for properly maintaining union records. Based on your assurance that Local 3739 will retain adequate documentation in the future OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

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-2 filed by Local 3739 for the fiscal year ended November 30, 2017, was deficient in the following areas:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 3739's books or bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. The Local's bank statements indicate the beginning bank balance for fiscal year ending November 31, 2017 was \$61,149.96.

Local 3739 must file an amended Form LM-3 for the fiscal year ended November 30, 2017, to correct the deficient items discussed above. You promised to file the deficient LM-3 report by September 6, 2019. Since you have failed to file the deficient LM-3 report we will pursue this matter under a separate case number. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Before filing, review the report thoroughly to be sure it is complete and accurate.

2. Failure to File

The audit revealed Local 3739 did not file Form LM-3 for the fiscal year ending November 30, 2018. You promised to file the delinquent report by September 6, 2019. Since you have failed to file the report we will pursue this matter under a separate case number. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Teachers Local 3739 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 black rectangular redaction box covering the signature of the investigator.

Investigator