

**U.S. Department of Labor**

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June 13, 2007

Connie Marlow, Financial Secretary  
Office and Professional Employees, AFL-CIO  
Local Union 19  
2300 Ashland Avenue, Room 224A  
Toledo, Ohio 43620

LM File Number : 025-644  
Case Number: [REDACTED]

Dear Ms. Marlow:

This office has recently completed an audit of 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 and President Jane Ridenour on January 10, 2007, 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 Violation

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 19's 2006 records revealed the following recordkeeping violations:

1. General Reimbursed and Debit Card Expenses

Local 19 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by President Jane Ridenour totaling at least \$2,100. For example, the union's debit card was utilized to purchase a computer, the receipt for which was not retained with the union's records.

As previously 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. The union promised to pay close attention to the various categories and amounts of disbursements to ensure accuracy.

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. Local 19 amended its constitution and bylaws in 2000, but did not file a copy with its LM report for that year. During the opening interview, the local submitted a copy of the current bylaws and agreed to submit any future amendments as required by Title II.

### 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 LM-3 filed by Local 19 for fiscal year ending 01/31/2006, was deficient in the following areas:

1. Certificates of Deposit Reported As Investments

Local 19 improperly included the value of a certificate of deposit as an investment in Item 52 (Purchase of Investments and Fixed Assets). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

2. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the 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.

Local 19 must file an amended Form LM-3 for fiscal year ending 1/31/2006, to correct the deficient items discussed above. The investigator provided you with blank forms and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than June 29, 2007. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation:

1. 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. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS after the audit. As a result, OLMS will take no further enforcement action regarding this issue.

Other Issues

During the audit, you advised that Jane Ridenour and yourself signs blank checks for office supplies and certified mail. Your union's bylaws require that all checks be signed by the president and the financial secretary. 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. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 19 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to 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,

Fred Vaudrin  
District Director

Cc: Jane Ridenour, President