

U.S. Department of Labor
Office of Labor-Management Standards
Washington District Office

USPS Only:
200 Constitution Avenue, NW
Suite 11-200
Washington, DC 20210-0001

Visitors/UPS/FedEx:
375 E Street, SW, Suite 11-200
Washington, DC 20024-3221
Phone (202) 513-7300
Fax: (202) 513-7301

October 5, 2021

Mr. Chris Townsend, President
American Jewish Committee Staff Organization
P.O. Box 1201
1156 15th Street, NW
Washington, DC 20005

Case Number: 450-6020715()
LM Number: 508146

Dear Mr. Townsend:

This office has recently completed an audit of the American Jewish Committee Staff Organization (AJCSO) 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 27, 2021, 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.

Record Keeping 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 the AJCSO 2020 records revealed the following recordkeeping violations:

Failure to Maintain Receipt Records

The AJCSO did not maintain all of the employer dues checkoff reports from their employer for the entire audit period. All receipt records must be maintained. Union

receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that the AJCSO 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 AJCSO was deficient in the following areas:

1. Delinquent LM Reports

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 within 90 days after the end of the labor organization's fiscal year. The AJCSO failed to file LM-3 reports for the fiscal years ending December 31, 2016 through December 31, 2020. The president and secretary-treasurer are personally responsible for timely filing the union's LM-3 reports. Failure to timely file the LM-3 reports in the future could result in the initiation of enforcement proceedings.

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. The AJCSO never filed a copy of their constitution, dated June 1972, with its LM report. The AJCSO has now filed a copy of its constitution.

The AJCSO must file the delinquent Form LM-3 reports for the fiscal years mentioned above. The reports must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The Form LM-3 reports must be filed no later than October 29, 2021. Before filing, review the reports thoroughly to be sure they are complete and accurate.

Other Violations

The audit disclosed the following other violation:

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 ten percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that the AJCSO officers are not currently bonded. The AJCSO officers must be bonded for at least \$10,833. The AJCSO should obtain adequate bonding coverage for its officers immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than October 15, 2021.

Other Issues

1. Expense Policy

As I discussed during the exit interview, the audit revealed that the AJCSO does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and for the other types of expenses that the union may incur. OLMS recommends that the AJCSO adopt written guidelines concerning such matters.

2. One Officer

The audit revealed that the union currently only has one officer. Article V of the AJCSO's constitution requires an executive committee that consists of four officers: chairman, vice chairman, secretary, and treasurer. OLMS strongly recommends that the AJCSO fill the vacant officer positions for several reasons. One primary reason is so that at least two union officers can be involved in the finances of the union as this is necessary for the effective internal control of union funds. OLMS also recommends that the AJCSO have two signatories on all union checks.

3. Uncashed Dues Checks

The audit revealed that the union failed to cash several dues checks it received from the employer during the audit period. OLMS recommends that the union implement procedures to make sure all of the dues checks received are cashed.

I want to extend my personal appreciation to the AJCSO 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,



Investigator