

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 28, 2007

Mr. Peter S. Rider, Secretary Treasurer
Service Employees AFL-CIO Local 615
26 West Street
3rd Floor
Boston, MA 02111-1207

LM File Number: 542-718
Case Number: [REDACTED]

Dear Mr. Rider:

This office has recently completed an audit of Service Employees AFL-CIO Local 615 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 C.P.A. Paul Ryan on September 28, 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.

The audit disclosed recordkeeping violations and other issues.

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 615's 2005 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 615 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by officers and employees. For example, there were purchases listed on the union's American Express statements that did not have supporting primary receipts. There were charges for office supplies and equipment that did not have original receipts. Upon review the items were able to be located. There were notes on the credit card statements for most but not all of the expenses listed. Upon inquiry appropriate explanations were obtained but primary documentation was not available.

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.

2. Meal Expenses

Local 615 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, officer and executive board meals did not include the names of all attendees. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Loans

Records of loans made to employees were not fully documented. Loans were made for appropriate purposes and were properly approved. The repayments were made through payroll deduction but the granting of subsequent loans were made with no oversight as to outstanding loan balances. Local 615 should maintain records to establish outstanding loan balances so as not to exceed the \$2000.00 per year limit on outstanding loans per officer or employee.

Based on your assurance that Local 615 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Service Employees AFL-CIO Local 615 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,


Senior Investigator, SCERS

cc: Ms. Rocio Saenz, President