

U.S. Department of Labor
Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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November 24, 2008

Ms. Mary Kay Gehle, Treasurer
Community Professional Nurses Association
8332 ST RT 118
Celina, OH 45822

LM File Number 543-850
Case Number: ||| ||| ||| ||| ||| ||| ||| |||

Dear Ms. Gehle:

This office has recently completed an audit of the Community Professional Nurses Association 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 October 28, 2008, 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- 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-3 filed by the Community Professional Nurses Association for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Certificates of Deposit Reported As A U.S. Treasury Securities

The value of the union's three certificates of deposits were reported under item 27 (US. Treasury Securities) instead of under item 25 (Cash). 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. Total Assets reported as Fixed Assets

Total assets were erroneously reported under item 29 (Fixed Assets) instead of in item 31 (Fixed Assets). For the purposes of the LM report, fixed assets are items such as land, buildings, automobiles, and office equipment.

I am not requiring that the Community Professional Nurses Association file an amended LM report for 2007 to correct the deficient items, but the union has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

During the audit, you advised that you have single signature authority over all union bank accounts and that no audit is performed on the union's finances by trustees or an outside accountant. In order to better safeguard the union's assets, OLMS recommends that the Community Professional Nurses Association incorporate procedures that eliminate single person control of union funds and increases financial oversight.

I want to extend my personal appreciation to the Community Professional Nurses Association 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,

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Investigator

cc: Janice Arling, President
Paul Howell, Attorney