

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
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May 1, 2008

Ms. Michele Roy, Treasurer
Public School Employees
P.O. Box 798
Auburn, WA 98071

LM File Number: 543-140
Case Number: [REDACTED]

Dear Ms. Roy:

This office has recently completed an audit of Public School Employees 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 April 11, 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 Public School Employees for fiscal year ending August 31, 2007, was deficient in that the local failed to file the most recent bylaws.

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. Public School Employees amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year. Public School Employees has now filed a copy of its constitution and bylaws.

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

The audit revealed that Public School Employees' officers and employees were not bonded for the minimum amount required at the time of the audit. The union must be bonded for at least \$12,000. Public School Employees should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than May 9, 2008.

I want to extend my personal appreciation to Public School Employees 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

cc: Ms. Debra Mayo-Kelley, President