

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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March 3, 2008

Mr. Ralph Purdy, President
United Federation of Special Police & Security Officers Inc.
UFSO
540 North State Road
Briarcliff Manor, NY 10510

LM File Number 540-562
Case Number: [REDACTED]

Dear Mr. Purdy:

This office has recently completed an audit of the United Federation of Special Police & Security Officers Inc. (UFSO) 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 yourself on February 27, 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.

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 the UFSO's 2006 records revealed the following recordkeeping violation:

The UFSO did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

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

Other Violations

The audit disclosed the following other violation:

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. UFSO's officers and employees are currently bonded for \$30,000, but they must be bonded for at least \$49,482. The UFSO 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 March 13, 2008.

I want to extend my personal appreciation to the United Federation of Special Police & Security Officers Inc. (UFSO) 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,

Mr. Ralph Purdy
March 3, 2008
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Investigator

cc: Robert Gordon, Treasurer