

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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August 1, 2008

Mr. Chad Caldwell, Treasurer  
School Employees Service Union Ind.  
6805 Oak Creek Drive  
Columbus, OH 43229

LM File Number 515-114  
Case Number: [REDACTED]

Dear Mr. Caldwell:

This office has recently completed an audit of School Employees Service Union Ind. 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 July, 16 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 SESU's 2007 records revealed the following recordkeeping violations:

1. General Expenses

SESU did not retain adequate documentation for disbursements totaling at least \$2,230.00. For example, SESU failed to maintain backup documentation for purchase of flowers in January 2007; a donation made in May 2007 to the Martin Luther King Jr. Memorial Fund; and a travel advance paid to member \_\_\_\_\_ in June 2007.

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. Bank Records

SESU did not retain pages three and four of their August 2007 bank statement.

As previously noted above, labor organizations must retain bank records for all account. 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.

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

Other Issues

During the audit, you advised that SESU checks require only one signature. This is not an effective internal control of union funds. A two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of the

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disbursement. OLMS recommends that SESU review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to School Employees Service Union Ind. 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: Rachel Morrow, President