

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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December 18, 2009

Ms. Rue Hairston, Treasurer
Nurses Association, American, Independent
Local Union 201
P.O. Box 452
122 Loggins Street
Glen White, WV 25849-0452

LM File Number 533-929
Case Number: [REDACTED]

Dear Ms. Hairston:

This office has recently completed an audit of Nurses Local Union 201 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 December 10, 2009, 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.

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 Union 201's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local Union 201 did not retain adequate documentation for reimbursed expenses to officers for travel to and from meetings on at least thirteen occasions. For example, on April 15, 2008, Treasurer Rue Hairston was reimbursed \$978.88 for travel-related expenses but the hotel bill to support part of her reimbursement was not found in union records. Similarly, President Wanda Mendez was reimbursed \$919.24 on April 15, 2008 for travel-related expenses; however, the required invoice to support the reimbursement was not in union records.

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. Lost Wages

Local Union 201 did not retain adequate documentation for lost wage reimbursement payments to Treasurer Hairston and President Mendez on at least eleven occasions. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local Union 201 maintained some but not all vouchers in support of lost wages payments during the audit year.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local Union 201's LM report. You should be aware

that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

I want to extend my personal appreciation to Nurses Local Union 201 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: Wanda Mendez, President
Steve McElroy, Executive Director
West Virginia Nurses Association