

**U.S. Department of Labor**

Employment Standards Administration  
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May 15, 2009

Mr. Ralph Vogel, President  
Professional Pharmacists Guild  
21243 Ventura Blvd.  
Woodland Hills, CA 91364-2167

LM File Number: 511-780  
Case Number: [REDACTED]

Dear Mr. Vogel:

This office has recently completed an audit of Professional Pharmacists Guild (the Guild) 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 Ralph Vogel on April 6, 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.

#### 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 Professional Pharmacists Guild's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

The Guild did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$ 3,218.81. For example, several reimbursement request forms failed to attach airline and hotel receipts.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

The Guild did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$1,182.30. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

The Guild's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, on June 14, 2007, a union credit card was used to purchase a dinner at a Black Angus restaurant. The receipt did not detail the type of union business conducted, only the attendees.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Lost Wages

The Guild did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$ \$4,615.72. 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 the Guild processed a reimbursement request form for lost time which lacked detailed information on the type of meeting attended, and copies of the lodging and airfare receipts.

During the exit interview, I explained the type of information and documentation that the Guild must maintain for lost wages and other officer expenses. The reimbursement request form used by the Guild should have all the required information attached and documented before authorizing reimbursement.

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

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-2 filed by the Guild for fiscal year ending April 30, 2008, was deficient in that:

1. 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. The Professional Pharmacists Guild amended its constitution and bylaws on August 21, 2007, but did not file a copy with its LM report for that year.

The Professional Pharmacists Guild has now filed a copy of its constitution and bylaws, and has agreed to properly report the deficient item on all future reports

it files with OLMS.

I want to extend my personal appreciation to Professional Pharmacists Guild 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,

A solid black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Ronald Astor, Treasurer