



December 16, 2010

Ms. Pat Hammel, Treasurer
Public Employees Representatives Union Local 5
2800 S. High Street
Columbus, OH 43215

Case Number: [REDACTED]
LM Number: 541125

Dear Ms. Hammel:

This office has recently completed an audit of Public Employees Representatives Union Local 5 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, 2010, 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 Employees Representatives Union Local 5 for fiscal year ending December 31, 2009, was deficient in the following areas:

1. PAC Funds

Item 12 (During the reporting period did your organization have a political action committee (PAC) fund?) was incorrectly answered, "No." Public Employees Representatives Union Local 5 had its own PAC fund during 2009. As stated in LM-3 report instructions, PAC funds kept separate from your union's treasury need not be included in your union's LM report if publicly available reports on the PAC funds are filed with a federal or state agency. However, the audit revealed that Public Employees Representatives Union Local 5's PAC funds were deposited to its general treasury and kept on deposit for several weeks before being transferred to the PAC account. Therefore, the financial activities of the PAC fund must be included in Public Employees Representatives Union Local 5's LM report.

2. Disbursements to Employees (committee members)

Public Employees Representatives Union Local 5 did not include some reimbursements to employees totaling at least \$3,000 in Item 46 (To Employees). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Public Employees Representatives Union Local 5 employees and some indirect disbursements made on behalf of its employees in Item 46. A "direct disbursement" to an employee is a payment made to an employee in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an employee is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an employee. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

3. Contributions, Gifts, and Grants

Public Employees Representatives Union Local 5 did not include the total of all disbursements for contributions, gifts, and grants totaling at least \$4,000 in Item 51. It appears the union failed to include these disbursements altogether on the LM-3 Report.

4. 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 Employees Representatives Union Local 5 amended its constitution and bylaws in or after 2007, but did not file a copy with its LM report for that year.

Public Employees Representatives Union Local 5 has now filed a copy of its constitution and bylaws.

Public Employees Representatives Union Local 5 must file an amended Form LM-3 for fiscal year ending December 31, 2009, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than January 11, 2011. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Public Employees Representatives Union Local 5 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,



Senior Investigator

cc: Ms. Lynn Kemp, President