



January 27, 2014

Mr. Henry Green, Financial Secretary/Treasurer  
Hotel Employees, Restaurant Employees AFL-CIO  
Local 26  
33 Harrison Ave  
4th Floor  
Boston, MA 02111

Case Number: 110-1117583  
LM Number: 506653

Dear Mr. Green:

This office has recently completed an audit of Hotel Employees, Restaurant Employees AFL-CIO Local 26 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 November 25, 2013, 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 Local 26's 2011 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Local 26 did not maintain records to verify that the salaries reported on Schedules 11, a reference to schedules 15, 16, 17, 18 and 19 of the LM-2 was the authorized amount. 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 Local 26 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations

I want to extend my personal appreciation to Hotel Employees, Restaurant Employees AFL-CIO Local 26 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: Mr. Brian Lang, President, Hotel Employees, Restaurant Employees AFL-CIO  
Local 26