



September 14, 2016

Mr. Gene Gencarelli, Secretary-Treasurer
Pari-Mutual Employees of Florida
P.O. Box 640-766
Miami, FL 33164

Case Number: 410-6000316 [REDACTED]
LM Number: 051110

Dear Mr. Gencarelli:

This office has recently completed an audit of Pari-Mutual Employees of Florida 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 and President Jerome Groten on August 16, 2016, 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 Pari-Mutual Employees of Florida's 2014 records revealed the following recordkeeping violations:

General Reimbursed Expenses

Pari-Mutual Employees of Florida did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$1,087.00. For example, there were reimbursement check payments made for expenses involving travel for union meetings and office supplies; however, Pari-Mutual Employees of Florida did not record the purpose of the union meetings, location of the meetings, and POV mileage for travel to the union meetings. In addition, there was no recorded purpose of union office supplies and POV

mileage relating to the purchase of office supply expenses. The union should keep fully descriptive officer expense records to support that travel and office supply expenses were used for union business only. A purpose for union business is necessary for reimbursed expenses to support union expenses as opposed to personal expenses.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and secretary-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.

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 Pari-Mutual Employees of Florida for the fiscal year ended December 31, 2014, was deficient in the following area:

Per Capita Tax

Per capita tax dues paid to the Office and Professional Employees International Union (OPEIU) was erroneously reported in Item 48 (Office and Administrative Expense). The union must report in Item 47 (Per Capita Tax) the total amount of per capita tax paid as a condition or requirement of affiliation with your parent national or international union, state and local central bodies, a conference, joint or system board, joint council, federation, or other labor organization.

I am not requiring that Pari-Mutual Employees of Florida file an amended LM report for 2014 to correct the deficient items, but the union has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Pari-Mutual Employees of Florida 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,

[Redacted Signature]

Investigator

cc: [Redacted]