



May 23, 2017

Mr. Anthony Bozik, President
Association of Westinghouse Salaried Employees
820 Linden Avenue
East Pittsburgh, PA 15112-1208

Case Number: 140-6010196 [REDACTED]
LM Number: 035312

Dear Mr. Bozik:

This office has recently completed an audit of Association of Westinghouse Salaried Employees (AWSE) 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 Vice President Chuck Metz on May 19, 2017, 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 Violation

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 AWSE for the fiscal year ended December 31, 2016, was deficient in that:

Disbursements to Officers

AWSE did not include lost wage reimbursements to officers totaling at least \$1,369 in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column D of Schedule 11 (Gross Salary) the gross salary of each officer (before tax withholdings and other payroll deductions) and include disbursements for "lost time" or time devoted to union activities.

I am not requiring that AWSE file an amended LM report for 2016 to correct the deficient items, but AWSE has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

AWSE's officers and employees are currently not bonded, but they must be bonded for at least \$42,103.59. AWSE should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but no later than June 9, 2017.

Other Issue

Lack of Credit Card Policy

As discussed during the exit interview with you and Vice President Metz, the audit revealed that during the audit period, AWSE did not have a clear policy regarding the types of expenses officers and employees may charge to the union credit card. OLMS recommends that unions adopt written policies and procedures concerning such matters and does not recommend policies that allow personal purchases with union credit cards because this may lead to misuse of funds. The union has since adopted a clear credit card policy.

I want to extend my personal appreciation to Association of Westinghouse Salaried Employees 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