

**U.S. Department of Labor**

Office of Labor - Management Standards  
Philadelphia District Office  
Suite 760 West  
The Curtis Center  
170 S. Independence Mall West  
Philadelphia, PA 19106-3310



January 26, 2005

David Shaffer, President  
UNITE AFL-CIO  
LU 1700  
P.O. Box 121  
Bloomsburg, PA. 17815

Re: 2

LM-067003

Dear Mr. Shaffer:

This office has recently completed an audit of UNITE 1700 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, as Amended (LMRDA). As discussed during the exit interview with you on June 28, 2004, the following problems were disclosed during the CAP.

**Record Keeping Violations**

Title II of the LMRDA establishes certain record keeping and reporting requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violation was revealed during the audit:

**1. Failure to Maintain Adequate Supporting Documentation**

- The financial records did not contain adequate supporting documentation for all disbursements. The invoice for the internet service was missing.

As agreed, provided that UNITE 1700 maintains adequate supporting documentation in the future, no additional enforcement action will be taken regarding this violation.

**Other Issues**

LMRDA Section 502 (Bonding) requires that unions with liquid assets and annual receipts over \$5,000.00 must be bonded for officers that handle union funds. Local 1700's liquid assets and total receipts are currently under \$5,000.00. The union should obtain adequate bonding coverage for its officers and employees if the union's assets and total receipts ever exceed \$5,000.00.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to your successor at whatever time you may leave office. I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

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Investigator