

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
1310 Federal Building
111 West Huron Street
Buffalo, NY 14202
(716) 551-4976 / FAX: (716) 551-4978



September 1, 2005

Gary Horn
UNITE HERE Local 4
3871 Harlem Road
Buffalo, NY 14215

Re: 2

Dear Mr. Horn:

This office has recently completed an audit of UNITE HERE Local 4 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 Michael Harren on August 31, 2005, 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.

Title II of the LMRDA establishes certain reporting and record keeping 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 deficiencies were revealed during the audit of Local 4's 2004 records. All original receipts were not maintained to support reimbursement of officer expenses. All original bills, credit card statements, receipts, and vouchers must be maintained to support disbursements made by the union. In the case of reimbursed expenses, an original receipt should be submitted with a voucher containing a brief explanation of the nature of the expense. When union expenses are charged to an officer's personal credit card and later reimbursed by the union the same standard applies. The original receipt should accompany the credit card statement along with an explanation of the expense. Such should be submitted to the appropriate union official for authorization of reimbursement.

As agreed, provided that Local 4 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

As previously discussed, Local 4 failed to file timely reports with our agency regarding a recently imposed trusteeship. The appropriate LM 15 and LM 16 forms were submitted by your union following OLMS contact. No further action will be taken regarding this violation.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call. Please note our office will soon be relocating to another building in Buffalo. Our new telephone number as of September 23, 2005 will be 716/842-2900.

Sincerely,

FCC

Investigator

cc: Michael Harren
Chris Ferriter