



September 19, 2011

Ms. Mildred Saldana, Secretary-Treasurer
Workers United, SEIU JB
Philadelphia Joint Board
22 S. 22nd Street
Philadelphia, PA 19103

Case Number: [REDACTED]
LM Number: 037258

Dear Ms. Saldana:

This office has recently completed an audit of Workers United, SEIU JB 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 September 19, 2011, 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 the Philadelphia Joint Board's fiscal year ended December 31, 2009 records revealed the following recordkeeping violations:

1. Union Owned/Leased Vehicles

The union did not maintain records necessary to verify the accuracy of the information reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedules 11 and 12 of the LM-2, allocated to the officer or employee to whom each vehicle is assigned.

The Joint Board did not maintain adequate records to document business versus personal use of the union vehicles. For each trip they take using a union owned or leased vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

On March 8, 2011, soon after this issue was brought to the union's attention, the Board of Directors instituted a vehicle mileage log policy requiring all officers and employees operating union owned or leased vehicles to properly document vehicle usage. A copy of the policy was provided to OLMS.

2. Lack of Salary Authorization

The Joint Board did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) of the LM-2 was the authorized amount and therefore was correctly reported. 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.

On March 8, 2011, soon after this issue was brought to the union's attention, the Board of Directors authorized salaries for Manager Lynne Fox and Secretary-Treasurer Mildred Saldana. The authorizations were recorded in meeting minutes and a copy was provided to OLMS.

Based on your assurance that the Joint Board will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Use of Signature Stamp

During the audit, Secretary-Treasurer Saldana advised that it is the Joint Board's practice for her to sign all union checks and to stamp the signature of Manager Lynne Fox on union checks when Fox is out of town. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the

use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that the Joint Board review these procedures to improve internal control of union funds.

On March 8, 2011 the Board of Directors authorized a third signatory on the union's accounts and eliminated the use of a signature stamp.

I want to extend my personal appreciation to you and the staff of Workers United, SEIU JB for the cooperation and courtesy extended during this compliance audit. You promptly responded to OLMS recommendations instituting policies and procedures to correct deficiencies during the 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,



Supervisory Investigator

cc: Ms. Lynne P. Fox, Manager