

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
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January 16, 2007

Mr. Anthony Bozik, President
Federation of Salaried Unions, Inc.
Association of Westinghouse Salaried Employees
820 Linden Avenue
East Pittsburgh, PA 15112

Re: Case Number: [REDACTED]

Dear Mr. Bozik:

This office has recently completed an audit of the Association of Westinghouse Salaried Employees 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 Laura Grasso, Charles Metz and James Whitlinger, and you on January 10, 2007, 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.

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 handled by those individuals or their predecessors during the preceding fiscal year. The Association of Westinghouse Salaried Employees has a \$500.00 employee dishonesty deductible. Deductibles for purposes of Section 502 are not allowed. As discussed during the closing interview, you have agreed to remove this deductible and provide our office with an amended bonding certificate within thirty days.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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

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identity of the recipient(s) of the goods or services. In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

During the CAP, it was discovered that union officers and employees failed to maintain adequate documentation for reimbursed expenses. In particular, receipts were not consistently maintained for officer meals and travel tolls. All expense receipts must be maintained. In addition, the date, amount, and business purpose of every expense must be recorded on at least one union record. The names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must also be recorded. 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

As agreed, provided that the Association of Westinghouse Salaried Employees maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

I want to extend my personal appreciation to the 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

cc: Laura Grasso, Secretary