

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 31, 2008

Mr. Bruce Elwell, Union Representative
Committee of Interns and Residents Staff Union
520 Eighth Avenue, Suite 1200
New York, NY 10018

LM File Number 513-942

Case Number: [REDACTED]

Dear Mr. Elwell:

This office has recently completed an audit of CIRSU 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, Jonathan Martin and Patrick Kavanaugh on July 23, 2008, 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 CAP disclosed the following violations:

Reporting Violations

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-3 filed by CIRSU for fiscal year ending December 31, 2006, was deficient in that the annual \$2,500 Education Benefit provided to CIRSU by the employer, Committee of Interns and Residents, was not reported as a union receipt. Additionally, the required LM-4 Report was not filed by CIRSU for fiscal year ending December 31, 2007.

CIRSU must file an amended Form LM-3 for fiscal year ending December 31, 2006, to correct the deficient items discussed above. You indicated you have the form on your union computer. The amended Form LM-3 for 2006 as well as the 2007 Form LM-4 should be submitted to this office at the above address as soon as possible, but not later than August 6, 2008. Before filing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

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 CIRSU's 2006 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit, Mr. Martin advised OLMS that CIRSU does not record minutes of its general membership and executive board meetings. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

During the exit interview, you assured OLMS that the union has begun taking down meeting minutes and will continue to do so going forward.

2. General and Reimbursed Expenses

During the audit, CIRSU could not provide adequate documentation for reimbursed expenses and general expenses incurred by the union. Specifically, the union did not provide OLMS with any receipts or vouchers for disbursements out of the union funds.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The officers of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

You provided OLMS with the back-up documentation for expenses for fiscal year ending December 31, 2006 during the exit interview.

Other Violations

The audit disclosed the following other violation(s):

1. 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.

CIRSU's officers and employees are currently not bonded, but they must be bonded for at least \$6,752. During the exit interview, you indicated CIRSU is hosting its annual convention and will be deciding the usage of the union funds remaining since its affiliation with CWA Local 1032 in 2006. Pursuant to your conversation at the exit interview, you will contact OLMS on August 6, 2008, after the convention, and inform OLMS of the members' decision and OLMS will inform you of the next steps to be taken regarding CIRSU's bonding coverage.

Mr. Bruce Elwell
July 31, 2008
Page 4 of 4

Financial Safeguarding Issue

Additionally, the audit revealed that the signature cards for the union's bank account have not been changed over to the new officers for two years. OLMS advised you to change the signature cards as soon as possible and to keep the signature cards current.

I want to extend my personal appreciation to CIRSU 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,



Supervisory Investigator

cc: Patrick Kavanaugh
CWA Local 1032
67 Scotch Road
Ewing, NJ 08628

Mr. Jonathan Martin, Secretary-Treasurer
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