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June 29, 2010

Mr. Thomas Bethel
President
American Maritime Officers
2 West Dixie Highway
Dania Beach, Florida 33004

Dear Mr. Bethel:

We have completed our preparation of American Maritime Officers' ("AMO") federal Form LM-2, *Labor Organization Annual Report* for the fiscal year ended March 31, 2010. The Form was electronically filed on June 29, 2010. The following are some of the highlights of the information disclosed in the Form:

Statement B – Receipts and Disbursements

As required under the instructions for the Form, the statement is prepared under the cash basis of accounting. As a result, the Statement recognizes revenue when cash is received during any period (in this case from April 1, 2009 through March 31, 2010) and cash disbursed during the same period.

For the fiscal year AMO received \$27,058,034 which included \$4,473,505 in monies received from the sale of investments during the year and \$10,312,547 from the sale of the land, building and improvements of the properties located in Dania Beach, Florida and Washington, DC.

During the last fiscal year, AMO disbursed \$26,277,049. Of that amount \$15,680,443 went to finance the operations of AMO and the remaining \$10,596,606 was used to purchase investments such as stocks, mutual funds, and various fixed income equities.

As a result, AMO increased its cash position by \$780,985 to \$1,241,235 on March 31, 2010.

In accordance with the Form's instructions, the union's disbursements are generally allocated among four categories. The DOL's definitions of these activities are summarized below:

1. Representational Activities (Line 50): Included on this line are **only** costs associated with the preparation for, and participation in, the negotiation of AMO's collective bargaining agreements and the administration and enforcement of those agreements.
2. Political Activities and Lobbying (Line 51): Included on this line are disbursements made by AMO associated with dealing with the executive and legislative branches of the Federal government to advance the passage or defeat of existing or potential laws. It does **not** include any campaign contributions to members of Congress made by the AMO Voluntary Political Action Fund and the AMO Retirees Voluntary Political Action. These costs are reported by those entities on forms with the Federal Election Commission.



3. Union Administration (Line 54): Disbursements relating to any of AMO's elections, membership meetings, National Executive Board meetings, and union disciplinary proceedings are reported on this line.
4. General Overhead (Line 53): All disbursements that do not meet any of the definitions in the preceding categories are to be reported on this line.

Schedule 11 – All Officers and Disbursements to Officers

Schedule 11, as well as Schedule 12 which lists AMO employees, are greatly misunderstood. Column (A) of the Schedules lists each officer or employee. Column (D) reports the gross salary paid to that individual from April 1, 2009 to March 31, 2010. The amount includes any bonuses paid and unused vacation pay.

Column (F) (*Disbursements for Official Business*) represents amounts directly or indirectly reimbursed to the officer or employee. It is **not** compensation to the individual. Some examples of disbursements to be reported in Column (F) include:

- Expenses that were reimbursed directly to an officer/employee,
- Meal and mileage reimbursements,
- Expenses for employee/officers' meals and entertainment, and
- Goods and services furnished to officers/employees but charged to the labor organization.

Exceptions these reporting requirements include reimbursements for the purchase of investments, fixed assets or office supplies. Disbursements for hotels or transportation by a public carrier necessary for conducting official business are also exempt from Column (F) **if** the payment is made directly to the provider instead of the officer/employee.

If you have any questions about this letter or the Form please feel free to contact us at 301-770-9110.

Very truly yours,

Buchbinder Tunick & Company LLP

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