



January 12, 2023

Mr. Luis Gonzalez, President
Security Police, Fire Professionals Association (SPFPA)
Local 100

Case Number: 520-6023492()
LM Number: 544442

Dear Mr. Gonzalez:

This office has recently completed an audit of SPFPA Local 100 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). During the exit interview with you, Financial Secretary Emmanuel Enriquez, and Vice President Esteban Gonzalez on June 14, 2022, 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 SPFPA Local 100's 2021 records revealed the following recordkeeping violations:

1. Office and Administrative Expenses

SPFPA Local 100 did not retain documentation for office and administrative expenses totaling \$5,554. Labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Professional Fees

SPFPA Local 100 did not retain documentation for the professional fees they paid during the audit year totaling \$1,128. Labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

3. Interest and Dividends

SPFPA Local 100 did not retain documentation to support the interest and dividends they received during the audit year totaling \$6,340. The records should show the date and amount received, and the source of the money. Labor organizations must retain original receipts for all deposits. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

4. Lack of Authorization for Monthly Allowances

SPFPA Local 100 did not maintain records to verify that the monthly allowances reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amounts and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current allowances authorized by the entity or individual in the union with the authority to establish salaries and allowances.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file SPFPA Local 100's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

Reporting Violations

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. SPFPA Local 100 amended its constitution and bylaws in 2021 but did not file a copy with its LM report for that year.

As agreed, SPFPA Local 100 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than June 30th, 2022.

I want to extend my personal appreciation to SPFPA Local 100 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Emmanuel Enriquez, Financial Secretary
Mr. Esteban Gonzalez, Vice President