



April 6, 2023

Brandi Meese, President
United Government Security Officers of America
Local 310
76 Victoria Square
Frederick, MD 21702

Case Number: 450-6025910()
LM Number: 546-538

Dear Ms. Meese:

This office has recently completed an audit of United Government Security Officers of America (UGSOA) Local 310 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 Treasurer Joseph Halleman and you on April 3, 2023, 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.

Reporting 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 Local 310's 2021 records revealed the following recordkeeping violations:

1. General Expenses

Local 310 did not retain adequate supporting documentation for a payment to an arbitrator.

As noted above, 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.

Based on your assurance that Local 310 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 Local 310 for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Failure to Accurately Report Receipts

The total receipts reported in Item 44 (Total Receipts) on the union's LM-3 report does not match the figure calculated by OLMS during the audit.

Local 310 reported \$5,465 in total receipts on its LM-3 report, but OLMS calculated the total receipts during the audit period to be \$6,465. All money received by the union during the audit period must be reported in Items 38 through 43 of the LM-3 report.

2. Failure to Accurately Report Disbursements

Local 310 did not properly report the disbursements made by the union on its LM-3 report. The union reported that it did not have any disbursements in the fiscal year. However, the audit revealed that the union actually disbursed \$1,000 in the fiscal year. Since this disbursement was for professional fees, it must be reported in Item 49 (Professional Fees) on the LM-3 report.

3. 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. Local 310 has never submitted a copy of its bylaws to OLMS. As agreed, Local 310 will file a copy of its current constitution and bylaws

with OLMS as soon as possible but not later than April 27, 2023.

Local 310 must file an amended Form LM-3 for the fiscal year ended December 31, 2021, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than April 27, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Violations

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 ten percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that the Local 310 officers who handle union funds were not covered by a bond at the time of the audit. These Local 310 officers must be bonded for at least \$1,426. Local 310 should obtain adequate bonding coverage for these officers immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 27, 2023.

Other Issues

1. One Signature on Union Checks

The audit revealed that all of the union checks written during the audit period were only signed by one officer. A two-signature requirement is an effective internal control of union funds. OLMS recommends that Local 310 adopt a two-signature requirement on all union disbursements to improve the internal control of union funds.

2. Failure to Follow Union Bylaws

The Local 310 bylaws require the union to hold membership meetings at least once per quarter. The audit revealed that Local 310 did not hold any membership meetings during the fiscal year. OLMS strongly recommends that Local 310 follow its bylaws and hold membership meetings as required.

I want to extend my personal appreciation to UGSOA Local 310 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 solid black rectangular box redacting the signature of the investigator.

Investigator