



April 12, 2023

Mr. Ricky Brown, President
Our Virgin Island Labor Union
PO Box 8624
Christiansted, VI 00823

Case Number: 130-6020256()
LM Number: 542709

Dear Mr. Brown:

This office has recently completed an audit of Our Virgin Island Labor Union (OVILU) 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 on April 6, 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.

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 OVILU records revealed the following recordkeeping violations:

1. Meeting Minutes Not Kept

During the audit, you advised OLMS that meeting minutes of the executive board meetings are not maintained by the union. Article III, Section 5 (b) of OVILU's constitution requires that all disbursements have dual authorization from the treasurer and the president and/or secretary and that any disbursement over \$2,000 be authorized by the representative council.

However, the union did not hold membership or representative council meetings during the audit period as required in their constitution and bylaws. Minutes of all membership, executive board and representative council meetings held must be kept and report any disbursement authorizations made at those meetings.

2. Lack of Salary Authorization

OVILU did not maintain records to verify that the stipend reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 for your compensation was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

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

Other Violation

Local Elections Not Held

OVILU has not held its regular officer elections since 2014. During the exit interview, OLMS explained the importance of holding local elections every three years to promote union democracy and comply with the LMRDA.

Other Issue

Chronic Use of ACH Payments

During the audit, you advised that it is OVILU's practice to pay most disbursements electronically by ACH payments. You indicated that no one else in the executive board reviews the ACH payments before they are issued for payment. Article III, Section 5 (b) of OVILU's constitution requires that checks be signed by the treasurer, president and/or secretary. The two-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of ACH payments denies the second signer the opportunity to attest to the authenticity of the completed disbursement and negates the purpose of the two-signature requirement. OLMS recommends that OVILU review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to OVILU 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: Mr. Terrence Morris, Secretary