



October 6, 2016

Mr. Jermaine Fields, President
RWDSU Local 184
8502 E 91st
Kansas City, MO 64138

Case Number: 510-6006449
LM Number: 040323

Dear Mr. Fields:

This office has recently completed an audit of RWDSU Local 184 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 and the local's executive board on May 26, 2016, 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 Local 184's 2015 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 184 did not record in its receipts records individual employer dues checkoff checks, only monthly totals of all monies received by the union were entered. Union receipts records must include an adequate identification of all money the union receives. The

records should show the date and amount received, and the source of the money. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them. We discussed this during the exit interview and you agreed to start keeping some form of a receipts journal to accurately record monies received by the local.

2. Failure to Keep Accurate Disbursement Records

Local 184 did not accurately record in its ledgers some disbursements including payroll. The records should show the date, payee, and amount of the disbursement. This information needs to be kept accurately because it is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. Failure to record this information accurately could result in incorrect entries on the LM-3 report. As we discussed during the exit interview, the Department of Labor does not require or endorse any particular method of bookkeeping, however, whether it is done with ledger paper or by computer program, the disbursement records must be kept fully and accurately. You have agreed to keep these records accurately in the future.

3. Lack of Cell Phone Authorization

Local 184 did not maintain records to verify that the amount paid to President Jermaine Fields for his cell phone which will be reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount. The union must keep a record, such as meeting minutes, to show the current cell phone payments authorized by the union. We discussed this during the exit interview and you agreed to keep this record in the future.

Based on your assurance that Local 184 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above 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 audit disclosed the following:

Delinquent Reports

The law requires the president and treasurer or corresponding principal officers of each labor organization to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of its fiscal year. Local 184's fiscal year

ends on December 31, therefore your financial report for 2015 was due on March 31, 2016. Not only have you failed to timely file your report for the most recently completed fiscal year, but your local has been delinquent in filing its financial disclosure reports for the last 10 years. OLMS has authority to conduct investigations concerning compliance with the reporting requirements of the LMRDA. The Secretary of Labor may file civil actions in Federal courts to restrain violations and ensure compliance with the LMRDA reporting requirements and Section 209 of the LMRDA also proscribes criminal penalties of a fine of not more than \$10,000, imprisonment for not more than 1 year, or both for the willful failure to file a report.

We discussed this issue during the exit interview and you assured that in the future Local 184 will make sure to timely file its LM reports. We also agreed that the deadline for you to file the delinquent 2015 LM-3 report will be June 26, 2016. If you choose to file electronically please contact me to provide the filing confirmation number. If you choose to file a hard copy, please mail it directly to me at the above address with original signatures by the agreed upon date.

Other Issues

Expense Policy

As we discussed during the exit interview, the audit revealed that Local 184 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to RWDSU Local 184 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. Tony Edwards, Secretary-Treasurer
Ms. Carla Smith, V.P./Bookkeeper