



June 28, 2018

Ms. Shenetha Releford, President
Treasury Employees Union IND Chapter 284
PO Box 81945
Atlanta, GA 30366-1945

Case Number: 410-6012943 [REDACTED]
LM Number: 541261

Dear Ms. Releford:

This office has recently completed an audit of Treasury Employees Union IND Chapter 284 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you, Treasurer Mike Green, and Director of Communications Wayne Webb on June 26, 2018, 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 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain 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 Chapter 284's 2016/2017 records revealed the following recordkeeping violations:

1. Meal Expenses

Chapter 284 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$1,627.19. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Chapter 284 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a meal purchase at Chick-fil-A on October 31, 2016 in the amount of \$78.97, a meal purchase at Ruth Chris Steakhouse on February 6, 2017 in the amount of \$286.28, and a meal purchase at Fork in the Road on September 20, 2017 in the amount of \$33.13 all did not have names of attendees or nature of union business discussed. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. General Reimbursed and Debit Card Expenses

Chapter 284 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by union officers and employees totaling at least \$1,486.88. For example, a hotel stay at the Annapolis Inn in Annapolis, MD on October 11, 2016 in the amount of \$359.34 did not have a receipt or invoice; an airline purchase on Southwest Airlines on May 14, 2017 in the amount of \$263.62 did not have a receipt or invoice; a rental car charge at Budget Rental on February 27, 2017 in Washington, DC in the amount of \$313.24 did not have a receipt or invoice and a purchase at Sam's Club on April 19, 2017 in the amount of \$191.34 did not have a receipt or invoice.

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 Chapter 284 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Expense Policy

As I discussed during the exit interview with Chapter 284, the audit revealed that Chapter 284 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union debit/credit cards. OLMS recommends that unions adopt written guidelines concerning such matters. The union agreed to review their expense policies and the types of purchases that should be allowed with the union debit card.

I want to extend my personal appreciation to NTEU Chapter 284 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. Michael Green, Treasurer