



October 17, 2019

Mr. Ricardo Munoz, President  
National Treasury Employees Union Chapter 140  
PO Box 610441  
Dallas, TX 75261

Case Number: 420-6015709 [REDACTED]  
LM Number: 503122

Dear Mr. Munoz:

This office has recently completed an audit of National Treasury Employee Union Chapter 140 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, Treasurer Kayle Kirkman, and Chief Steward Scott Wykhouse on September 26, 2019, 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

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (see Section 201(b) of the Labor-Management Reporting and Disclosure Act (LMRDA)) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report LM-3 filed by Chapter 140 for the fiscal year ended December 31, 2018, was deficient in the following areas:

#### 1. Disbursements to Employees

Chapter 140 did not include some reimbursements to member [REDACTED] totaling \$895.00 for baseball registrations in item 46 (To Employees). It appears that the local erroneously reported these payments in item 51.

The union must report in item 46 To Employees direct disbursements to employees for reimbursements of expenses the incurred while conducting union business. In additional, the union must report in item 46 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur.

#### 2. Failure to File Bylaws

Pursuant to 29 C.F.R. Section 458.3, the requirement under 29 C.F.R. Section 402.4 implementing LMRDA Section 201(a) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file copies of any revised constitution and bylaws when it files its annual financial report. The audit disclosed a violation of this requirement. Chapter 140 amended its constitution and bylaws in 2018, but did not file a copy with its LM report for that year.

Chapter 140 has now filed a copy of its constitution and bylaws.

Chapter 140 has filed an amended Form LM-3 for the fiscal year ended December 31, 2018 correcting the deficient items discussed above.

#### Other Violation

The audit disclosed the following other violation:

##### Failure to Follow Constitution and Bylaws

Chapter 140 failed to follow its Constitution and Bylaws, Part VI, Chapter Executive Board, Section 2(A), which states the Chapter Executive Board shall have the authority to authorize necessary Chapter expenditures and establish procedures for payment of authorized Chapter expenditures by majority vote of the Board. Chapter 140 must authorize expenses by following the policy in its constitution and bylaws.

I want to extend my personal appreciation to National Treasury Employees Union Chapter 140 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: Ms. Kayle Kirkman, Treasurer  
Mr. Scott Wykhouse, Chief Steward