



June 1, 2020

Mr. William Gadberry, President
United Government Security Officers of America
Local 330
PO Box 2854
Berkeley, CA 94702

Case Number: 530-6017295
LM Number: 544809

Dear Mr. Gadberry:

This office has recently completed an audit of United Government Security Officers of America Local 330 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 Treasurer Derrick Turner on January 31, 2020, 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 330's 2018 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 330 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$179.98. For example,

on May 25, 2018, there was a Verizon Wireless charge for \$149.07, on June 6, 2018, there was a Verizon Wireless charge for \$20.00, and on June 7, 2018, and there was a \$10.91 charge from HP InstantInk that did not have any supporting documentation.

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.

2. Meal Expenses

Local 330 did not require officers and employees to submit itemized receipts with written explanations for meal expenses totaling at least \$60.47. 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.

Local 330 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, there were no written explanations on receipts for Cordova Restaurant on December 13, 2018 totaling \$55.00 and for Taco Bell on December 13, 2018 for \$18.05. 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.

3. Reimbursed Auto Expenses

Local 330 President William Gadberry, who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them included in a check written to Mr. Gadberry for several expenses totaling at least \$1,039.76 during 2018. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

4. Lost Wages

Local 330 did not retain adequate documentation for lost wage reimbursement payments to Local 330 Vice President John Vind totaling \$1,571.04 and Local 330 President William Gadberry totaling at least \$1,039.76. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 330 retained the check stub and notes calculating the portions of the total dollar amount on each check, but did not identify the dates lost wages

were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

5. Disposition of Property

Local 330 did not maintain an inventory of items purchased to be given away as raffle prizes. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

Based on your assurance that Local 330 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to United Government Security Officers of America 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,

[Redacted Signature]

[Redacted Title]

Investigator

cc: Mr. Derrick Turner, Treasurer
Mr. John Vind, Vice President