



June 25, 2020

Mr. Chris Bentley, President  
Postal Mail Handlers Local 297  
9429 E 63rd Street  
Raytown, MO 64133

Case Number: 510-6018238  
LM Number: 515582

Dear Mr. Bentley:

This office has recently completed an audit of Postal Mail Handlers Local 297 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 Pamela Grant on June 16, 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 297's 2019 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 297 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by you (\$1,637.84), Treasurer Pamela Grant (\$41.69), Vice President Rick Western (\$366.33), and Kansas State Representative Bridget Williams (\$383.41) totaling at least \$2,429.27. For example, adequate supporting documentation was not retained for credit card charges to Office Max in the amount of \$87.89; El Maguey in the amount of \$33.14; Drury in the amount of \$123.63; Harrah's Guy Fieri in the amount of

\$400; Chayo Mexican Kitchen in the amount of \$272.50; and The Dubliner in the amount of \$82.50.

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 297 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$129.66. 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.

Based on your assurance that Local 297 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 Labor Organization Annual Report Form LM-2 filed by Local 297 for the fiscal year ended December 31, 2019, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away t-shirts, aprons, and gift cards totaling more than \$11,726.38 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Certificates of Deposit Reported As Investments

Local 297 improperly included the value of a certificate of deposit as an investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is

a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 297 amended its constitution and bylaws in 2018, but did not file a copy with its LM report for that year.

Local 297 has now filed a copy of its constitution and bylaws.

4. Fixed Assets

Local 297 did not report the details of all fixed assets. For example, the building at 9429 E 63rd Street, Raytown, MO 64133, office furniture, and equipment owned by the labor organization at the end of the reporting period was not reported. Land and buildings must be itemized, whereas office furniture and equipment should be aggregated. Include fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), fully depreciated, or carried on the labor organization's books at scrap value or other nominal value.

5. Rent Receipts

Local 297 did not report rental income in Item 42 (Rent). The audit revealed that during 2019, Local 297 received at least \$9,600 in rent.

Local 297 must file an amended Form LM-2 for the fiscal year ended December 31, 2019, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). The amended Form LM-2 must be filed no later than July 20, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Postal Mail Handlers Local 297 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,

A large black rectangular redaction box covering the signature of the Senior Investigator.

Senior Investigator