



August 6, 2020

Mr. Ronnie Newlan, President  
NALC BR 1367  
PO Box 415  
Denton, TX 76201

Case Number: 420-6018050 [REDACTED]  
LM Number: 084156

Dear Mr. Newlan:

This office has recently completed an audit of NALC BR 1367 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 Secretary Ryker Nelson on April 17, 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 NALC BR 1367's 2019 records revealed the following recordkeeping violations:

#### 1. Charity Donation and Retirement Gift

NALC BR 1367 did not retain adequate documentation for a charity donation in the amount of \$500.00 to [REDACTED] and a retirement gift in the amount of \$530.00 to [REDACTED]. Although the authorization was included in the membership meeting minutes, there were no documents which confirmed the disbursements.

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.

The union has agreed to maintain all supporting documents for all union disbursements.

## 2. General Reimbursed Expenses

NALC BR 1367 did not retain adequate documentation for reimbursed travel expenses incurred by Marvin Ruyle and Kenny Young totaling at least \$2,638.39.

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.

The union has agreed to maintain all supporting documents for all union disbursements.

Based on your assurance that NALC BR 1367 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 NALC BR 1367 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. Ryker Nelson, Secretary  
Mr. Kenny Young, Treasurer  
Mr. Bobby Pointer, Vice President  
Ms. Sasha Williams, Steward  
Mr. Mike Cox, Steward  
Mr. Marvin Ruyle, Steward