

U.S. Department of Labor

Office of Labor-Management Standards
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March 15, 2022

Ms. Megan Nowak, President
NATCA ZDV
2211 17th Avenue
Longmont, CO 80501

Case Number: 510-6022886()
LM Number: 519-532

Dear Ms. Nowak:

This office has recently completed an audit of National Air Traffic Controllers Association (NATCA) ZDV 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 on March 4, 2022, 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 Civil Service Reform Act (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 NATCA ZDV for the fiscal year ended December 31, 2020, was deficient in the following areas:

1. Disbursements to Officers

NATCA ZDV did not include some indirect disbursements to officers for meals purchased during union officer meetings totaling at least \$131.54 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses).

The union must report most direct disbursements to NATCA ZDV officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value, including meals, received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a

union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Purchase of Assets

NATCA ZDV did not include the purchase of some assets, including office equipment and furniture, for a remodeling of the union's break room totaling at least \$6,054.37 in the amounts reported in Item 52 (Purchase of Investments and Fixed Assets). It appears the union erroneously reported these purchases in Item 48 (Office and Administrative Expenses).

The union must report purchases of investments and fixed assets in Item 52. Fixed assets include land, buildings, automobiles, and office furniture and equipment purchased by the union.

3. 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. NATCA ZDV amended its constitution and bylaws in 2016, but did not file the required copies with its LM report for that year.

NATCA ZDV will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than April 30, 2022.

Conclusion

I am not requiring that NATCA Local ZDV file an amended LM report for 2020 to correct the deficient items, but the local has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to NATCA ZDV 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. Vince Wright, Secretary Treasurer