



December 20, 2021

Jillian Patterson, President
Government Security Officers (UGSOA)
Local Union 19
PO Box 305
Niantic, CT 06357

Case Number: 110-6020485()
LM Number: 543302

Dear Ms. Patterson:

This office has recently completed an audit of UGSOA, Local 19 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, Secretary-Treasurer Ed Discola and Vice President Casey Moore on December 10, 2021, 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 19's 2020 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 19 did not retain adequate documentation for reimbursed expenses incurred by two union members totaling at least \$500. For example, two checks for \$250 each issued to these members indicated as being for Thanksgiving meals, however had no back-up receipts to substantiate what was purchased with the funds.

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 19 did not require officers and employees to submit itemized receipts for meal expenses on numerous instances totaling at least \$401. 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 19 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, on eight occasions, reimbursements were issued to officers and employees for meals that did not have an itemized receipt to substantiate the expense and did not list the attendees of the meal. 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. Lost Wages

Local 19 did not retain adequate documentation for lost wage reimbursement payments to union officers on at least 29 instances. 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 19 retained vouchers for lost time claims, which failed to contain an adequate description of the union business conducted for the amount of hours claimed.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments* that contained a sample of an expense voucher Local 19 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 19 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-3) filed by Local 19 for the fiscal year ended March 31, 2020, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 19 did not properly report amounts disbursed to officers in Item 24 (All Officers and Disbursements to Officers), and failed to properly allocate the types of disbursements to officers in the proper categories allotted on the form. It appears the union may have erroneously reported all payments in Column D (Gross Salary), instead of accurately distributing them next to the officers' names as applicable.

The union must report most direct disbursements to Local 19 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 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. Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 19's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Local 19 must file an amended Form LM-3 for the fiscal years ended March 31, 2020 and March 31, 2021, to correct the deficient items discussed above. The reports must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than January 15, 2021. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issue

As I discussed during the exit interview with you, the audit revealed that Local 19 does not have a clear policy regarding lost wages identifying when and how lost time hours can be claimed for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to UGSOA, Local 19 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,



Senior Investigator

cc: Ed Discola, Secretary-Treasurer