

**U.S. Department of Labor**

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December 5, 2024

Mrs. Stephanie A. Reed, President  
Associated Guards of the United States  
202 Briarwood Court  
League City, TX 77573

Case Number: 420-6029680( )  
LM Number: 053001

Dear Mrs. Reed:

This office has recently completed an audit of the Associated Guards of the United States (AGUS) 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-Treasurer Alfred A. Barboza on December 9, 2024, 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 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain 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 the Associated Guards of the United States 2023 records revealed the following recordkeeping violations:

1. Failure to Record Receipts and Disbursements

The Associated Guards of the United States Bylaws, Article 7, Section 3, states, “The Secretary-Treasurer shall be custodian of all funds of this organization. He shall issue due and proper official receipts for all monies received, and shall draw checks or vouchers for such expenditures as may be approved and ordered paid by the membership, but all such checks or vouchers must be counter-signed by the President or the Vice-President. The Secretary-Treasurer shall prepare and present at all regular meetings of the membership financial statements showing monies on hand at last report, as well as all receipts, expenditures, and the totals of amounts remaining on hand.”

The Associated Guards of the United States did not maintain receipts records of the dues received from employer dues checkoff records and deposited in the checking account. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money. The local also failed to maintain a disbursements journal or record in their financial records the union’s disbursement for the reporting period. The records should show the date, amount paid, the payee, and the purposes of the disbursement.

## 2. Failure to Record Meeting Minutes

The Associated Guards of the United States Bylaws, Article 7, Section 3, states, “The Secretary-Treasurer shall act as secretary of all meetings of the membership and shall keep true and accurate records and minutes of all such meetings.”

During the audit, Secretary-Treasurer Alfred A. Barboza informed OLMS that the membership authorized the payment of \$218.64 to 1-800-Flowers.com for a floral arrangement for the death of a member’s immediate family member. However, the union maintained no minutes of that meeting authorizing the expense. The local also failed to maintain an accurate record of the membership meeting discussion regarding contract negotiations held in May 2023.

## 3. Failure to Maintain Records

Secretary-Treasurer Alfred A. Barboza maintained the union’s financial records on a flash drive, which was corrupted and the records inaccessible for the audit period. The union failed to maintain an external backup or hard copy of their financial records, in violation of the retention of records requirements under the LMRDA Section 206.

### 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-4 filed by the Associated Guards of the United States for the fiscal year ended May 31, 2023, was deficient in the following areas:

#### 1. Receipts

Item 16, Total Receipts, incorrectly included \$219, which was the disbursement amount for the audit period. The correct receipts amount is \$2,146.82.

2. Disbursements

Item 17, Total Disbursements, incorrectly included \$0. The correct disbursements amount for the audit period is \$218.64.

The Associated Guards of the United States must file an amended Form LM-4 for the fiscal year ended May 31, 2023, 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-4 was filed on October 23, 2024. As a result, OLMS will take no further enforcement action regarding this issue.

Other Violations

The audit disclosed the following other violations:

1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that the Associated Guards of the United States officers were not bonded for the minimum amount required at the time of the audit. However, the Associated Guards of the United States obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

2. Officer Elections

During the audit, President Stephanie A. Reed advised that the Associated Guards of the United States had not held an officer election since May 2023, as required by your Bylaws, Article 4, Section 3. On November 20, 2024, the union held its officer election, and the officers won by acclamation. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Associated Guards of the United States 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. Alfred A. Barboza, Secretary-Treasurer  
Mr. David P. Johnson, Vice President