



March 20, 2026

Stanley Hutchins, President  
Union Rights for Security Officers  
10665 Stanhaven Place  
Suite 102  
White Plains, MD 20695

Case Number: 450-6031895( )  
LM Number: 544-522

Dear Mr. Hutchins:

This office has recently completed an audit of Union Rights for Security Officers (URSO) 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 Jawanna Hargrove on March 13, 2026, 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 URSO's records for fiscal year ending December 31, 2024 revealed the following recordkeeping violations:

1. Debit Card Expenses

URSO failed to keep sufficient documentation for some expenses paid with the union debit card. For example, USRO did not retain receipts for purchases from Staples, Dunkin Donuts, and Sam's Club.

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. General Expenses

URSO failed to keep sufficient documentation for some expenses paid by union check. For example, USRO did not retain invoices for disbursements to a consultant and a computer repair company.

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.

3. Meal Expenses

URSO did not always require officers to submit itemized receipts for meal expenses. The union must maintain itemized receipts provided by restaurants to officers. 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.

Additionally, URSO records of meal expenses did not always include the names and titles of the persons incurring the restaurant charges. 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. The records retained must also identify the names of the restaurants where the officers incurred meal expenses.

4. Disposition of Property

The audit revealed that URSO purchased \$25 gift cards and gave them to members. The union must record in at least one record the names of the recipients of the gift cards and the date they received them. URSO maintained some records of the names and dates of the recipients, but the union's records were incomplete.

5. Failure to Maintain Receipt Records

URSO failed to keep bank-issued deposit slips and did not maintain adequate records to identify the items included in each deposit. The union is required to retain all deposit slips, and receipt records must show both the amount and the source of all items that make up a deposit.

6. Lack of Salary Authorization

URSO did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) of the LM-2 were the authorized amounts and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that URSO 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 URSO for the fiscal year ending December 31, 2024 was deficient in the following areas:

1. Disbursements to Officers and Employees

URSO did not include some payments to officers and employees in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees).

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. Failure to Itemize Disbursement

URSO did not properly report a “major” transaction in Schedule 17 (Contributions, Gifts, & Grants). A “major” transaction includes any individual transaction of \$5,000 or more or

total transactions to or from any single entity or individual that aggregate to \$5,000 or more during the reporting period and which the local cannot properly report elsewhere in Statement B. URSO purchased gift cards for its members from American Express during the audit year. The cost of the gift cards was in excess of \$20,000. An itemization page should therefore have been completed.

3. 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 gift cards during the year. The union must identify the type and value of any property received or given away in Item 69 (Additional Information) 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."

4. Initiation Fees

URSO did not include in Item 38 (Fees, Fines, Assessments, Work Permits) the total amount of initiation fees it collected from its members during the audit year. All initiation fees must be reported in Item 38.

URSO must file an amended Form LM-2 for the fiscal year ending December 31, 2024 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 April 15, 2026. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Violations

1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. URSO obtained a bond before the close of the audit that met the 10 percent requirement. However, that bond includes a deductible, which is a form of self-insurance that fails to meet the bonding requirements of the LMRDA. Please provide proof of bonding coverage without a deductible to this office as soon as possible, but not later than April 15, 2026.

2. Officer Election

The audit revealed that URSO failed to hold its last regular election of officers within the maximum time frames specified by the LMRDA. USRO needs to immediately hold an officer election to meet the requirements in the LMRDA.

I want to extend my personal appreciation to Union Rights for Security Officers 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: Jawana Hargrove, Treasurer