



September 20, 2013

Mr. Peter McCarron, President  
American Coalition of Public Safety  
67 Coddington Street  
Suite 203  
Quincy, MA 02169

Case Number: 110-17664-  
LM Number: 544025

Dear Mr. McCarron:

This office has recently completed an audit of American Coalition of Public Safety 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 on September 20, 2013, 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 American Coalition of Public Safety (ACOPS) 2012 records revealed the following recordkeeping violations:

#### 1. Debit Card Expenses

ACOPS did not retain adequate documentation for debit card expenses incurred by the union totaling at least \$14,344.64. For example, during ACOPS National Convention,

\$2,540.77 was spent on hotel rooms for national officers and guest speakers, but no receipts were retained.

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. Professional Expenses

ACOPS did not retain adequate documentation for professional fees incurred by the union totaling at least \$7,899.87. ACOPS paid [REDACTED] to perform the duties of a Business Manager on a contract basis without collecting invoices or substitute documentation from [REDACTED]. As noted above, ***labor organizations must retain original receipts, bills, and vouchers for all disbursements.***

3. Meal Expenses

ACOPS did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$474.73. For example, no receipt was provided for \$155.96 spent at Hancock Tavern in Quincy, MA, on May 7, 2012. 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.

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 ACOPS for the fiscal year ended December 31, 2012, was deficient in the following area:

Disbursements to Officers

ACOPS did not include telephone allowances and other disbursements paid to union officers totaling at least \$4,808.54 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union may have erroneously reported these payments in Item 48.

The union must report most direct disbursements to ACOPS 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).

ACOPS must file an amended Form LM-3 for the fiscal year ended December 31, 2012, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than October 20, 2013. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

#### Other Issues

##### Expense Policy

As I discussed during the exit interview, the audit revealed that ACOPS does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union debit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to American Coalition of Public Safety 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. Scott Rocheville, Treasurer/Secretary