

**U.S. Department of Labor
Office of Labor-Management Standards**

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September 30, 2014

Mr. David McLane, Secretary Treasurer
Government Security Guards, IND Local 46
PO Box 202954
Anchorage, AK 99520-2954

Case Number: 530-6002474()
LM Number: 541996

Dear Mr. McLane:

This office has recently completed an audit of Government Security Guards, IND Local 46 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 September 19, 2014, 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 46's 2013 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 46 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$1,200. For example, there is check written to a member for \$343.80 and no explanation is provided in the union records pertaining to the disbursement. Also, there was a purchase made at Best Buy in September 2013 for \$818.99 and no supporting documentation for the purchase was retained by Local 46.

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. Lost Wages

Local 46 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$2,800. 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 46 in many cases identified that the payment to the Local 46 officer was for lost wages, but the records did not indicate the rate of pay that the officer was entitled to receive, the nature of the union business conducted, or the dates of the lost wages.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 46's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

I want to extend my personal appreciation to Government Security Guards, IND Local 46 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. Tim Ring, President