



August 8, 2017

Mr. John A. Tucker, President  
United Security Forces of America  
11367 Lair Road  
Alliance, OH 44601

Case Number: 350-6009309 [REDACTED]  
LM Number: 000394

Dear Mr. Tucker:

This office has recently completed an audit of United Security Forces of America 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 and attorney Melvin Schwarzwald on June 15, 2017, 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 United Security Forces of America 2015 records revealed the following recordkeeping violation:

#### MasterCard Debit Expenses and Cash Withdrawals

United Security Forces of America did not retain any documentation for MasterCard debit expenses and cash withdrawals totaling at least \$8,000.

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.

Based on your assurance that United Security Forces of America will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

### 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 United Security Forces of America for the fiscal year ended December 31, 2015, was deficient in that:

1. Item 20 – Bonding

The maximum amount recoverable under your organization's fidelity bond for a loss caused by any officer or employee of your organization was reported as \$50,000. To date, United Security Forces does not have any fidelity bond, nor was a bond in place during the reporting period.

2. Disbursements to Officers

United Security Forces of America did not include cash disbursements to you totaling at least \$1,000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 – Office and Administrative Expenses.

The union must report most direct disbursements to United Security Forces of America 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).

I am not requiring that United Security Forces of America file an amended LM-3 report for 2015 to correct the deficient items, provided that all deficient items are properly reported on all future reports it files with OLMS, starting with the LM-3 report for fiscal year ending December 31, 2016, which is long overdue.

Other Violations

The audit disclosed the following other violation(s):

1. 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.

United Security Forces of America officers and employees are currently not bonded, but they must be bonded for at least \$2,400. United Security Forces of America should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than August 25, 2017.

2. Executive Board Officer Elections

United Security Forces of America has not held elections for executive board officers since the union was established in November 2013. The union's constitution and bylaws call for an international president, international senior vice president, international secretary/treasurer, and recording secretary. The union's next scheduled officer election is scheduled for November 2018, which would be in accordance with the election requirements for international unions.

Although United Security Forces of America was set up as an international union, it is in fact operating as a local union at this time, and therefore must hold elections every three years by secret ballot vote of the members. An election should have occurred in November 2016. Although the union submitted additional information a few weeks after the exit interview, the information provided does not change the union's current operational status as a local union. United Security Forces of America should hold an officer election in accordance with the LMRDA for executive board positions as soon as possible. I've enclosed OLMS compliance assistance publications regarding conducting local union elections. The publications may also be found at [www.dol.gov/olms](http://www.dol.gov/olms).

I want to extend my personal appreciation to United Security Forces of America 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