



March 2, 2017

Mrs. Rena Watkins, Treasurer
Government Security Officers AFL-CIO
Local 212
[REDACTED]

Case Number: 410-600248 [REDACTED]
LM Number: 544-830

Dear Mrs. Watkins:

This office has recently completed an audit of Government Security Officers AFL-CIO, Local 212 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 January 11, 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 Local 212's records for period ending June 30, 2015 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 212 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$604.82. For example, the union officials were reimbursed for meeting expenses, but the union discarded all supporting receipts.

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 212 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,938. 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. Although cancelled checks indicated the union business conducted, Local 212 did not maintain documentation to reflect the date wages were lost, the number of hours, and the rate of pay.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments* that contained a sample of an expense voucher that satisfies this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Lack of Authorization

Local 212 did not maintain records to verify that the sick contributions paid to its members were the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the contribution amount authorized by the entity or individual in the union with the authority to establish such disbursements.

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-4 filed by Local 212 for the fiscal year ended 06/30/2014, was deficient in the following areas:

1. Assets

Local 212 failed to indicate the total value of its assets in Item 14 (Assets). The LM-4 instructions require labor organizations to enter the total value of all the labor organization's assets at the end of the reporting period, including, for example, cash on hand and in banks, property, loans owed to the labor organization, investments, office furniture, automobile, and anything else owned by the labor organization.

2. Receipts

In Item 16 (Receipts) of the LM-4 report, Local 212 indicated that it did not receive any receipts during the reporting period. However, the audit disclosed that it received at least \$1,894.59 in receipts. The LM-4 instructions require labor organizations to enter all receipts including dues, fees, fines, assessments, interest, dividends, rent, money from the sale of assets, and loans received by the labor organization.

3. Disbursements

Local 212 indicated in Item 17 (Disbursements) that it did not make any disbursements during the reporting period, but the audit disclosed that the entity had at least \$2,670.26 in disbursements during the audit year. The LM-4 instructions require labor organizations to enter the total amount of all disbursements made by the labor organization during the reporting period.

4. Payments to Officers and Employees

Local 212 indicated in Item 18 that it did not disburse any payments to officers during the reporting period. However, the audit disclosed that it paid at least \$2,395.26 to officers and employees during the reporting period. The LM-4 instructions require labor organizations to enter the total amount of all payments to officers and employees during the reporting period. The amount should include for example gross salaries (before tax withholdings and other payroll deductions); lost time pay, monthly, weekly or daily allowances, and disbursements for conducting official business of the labor organization as well as disbursements which were essentially for the personal benefit of the officer or employee.

5. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires a union to adopt a constitution and bylaws and submit a copy to the Secretary of Labor. Additionally, Section 201(a) requires a union to submit a revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 212 never adopted a constitution and bylaws.

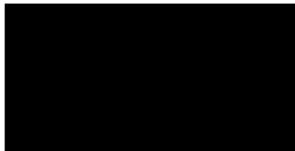
Other Issue

Payment of Lost Wages

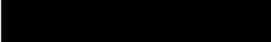
Mrs. Watkins, you received \$55.53 in lost wages that you might not have been entitled to receive. As the treasurer, you had a fiduciary responsibility to ensure all disbursements were appropriate and issued in the accurate amount.

I want to extend my personal appreciation to Government Security Officers AFL-CIO, Local 212 for the cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc:  Secretary
Mr. Marcus Caldwell, President