



January 8, 2019

Mr. Sherwin Bautista, President
United Government Security Officers of America
(UGSOA) Local 403
P.O. Box 395
Palo Alto, CA 94035

Case Number: 530-6014457
LM Number: 542722

Dear Mr. Bautista:

This office has recently completed an audit of UGSOA Local 403 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 Treasurer Emmanuel Castillo and Vice-President Kyster Porter on January 7, 2019, 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 Violation

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 UGSOA Local 403's 2017 records revealed the following recordkeeping violation:

Meal Expense

UGSOA Local 403 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.

A review of UGSOA Local 403's meal receipts found that on August 28, 2017 UGSOA Local 403 charged \$136.50 on the union's debit card at Kalesa's Restaurant and maintained an itemized receipt with a handwritten note, "union meeting." In general, 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. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses. Although UGSOA Local 403 maintained an itemized receipt that identified the name of the restaurant and explained the union purpose of the expense, it did not include of the names of the persons who attended the meeting and incurred the expense.

Based on your assurance that UGSOA Local 403 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violation

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. UGSOA Local 403 amended its bylaws on September 23, 2013, but did not file a copy with its LM report for that year.

UGSOA Local 403 has now filed a copy of its bylaws.

I want to extend my personal appreciation to UGSOA Local 403 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: Emmanuel Castillo, Kyster Porter