

**U.S. Department of Labor**

Office of Labor-Management Standards  
Philadelphia-Pittsburgh District Office  
Federal Office Building  
1000 Liberty Avenue, Suite 1411  
Pittsburgh, PA 15222  
(412) 395-6925 Fax: (412) 395-5409



August 5, 2019

Mr. Terry L. Childs, Treasurer  
Pitt Police Association  
3412 Forbes Avenue  
Pittsburgh, PA 15213

Case Number: 140-6015532 [REDACTED]  
LM Number: 543063

Dear Mr. Childs:

This office has recently completed an audit of the Pitt Police Association 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 August 2, 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 the Pitt Police Association's 2018 records revealed the following recordkeeping violation:

Failure to Record Receipts

The Pitt Police Association did not properly record receipts in their union records. For instance, on June 29, 2018, a cash deposit of \$318.00 was recorded in the union's general ledger; however union records do not identify the source of the income. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

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

#### Reporting Violation

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 the Pitt Police Association for the fiscal year ended December 31, 2018 was deficient in the following area:

#### Acquire/Dispose of Property

Item 13 [LM-3] (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away gift cards to members totaling \$4,700 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

I am not requiring that the Pitt Police Association file an amended LM report for 2018 to correct the deficient item, but the Pitt Police Association has agreed to properly report the deficient item on all future reports it files with OLMS.

#### Other Violation

The audit disclosed the following other violation:

#### Inadequate 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.

The audit revealed that the amount of the Pitt Police Association's bond is sufficient. However, the bond includes a deductible, which is a form of self-insurance that fails to meet the bonding requirements of the LMRDA. The Pitt Police Association should obtain a bond without a deductible. Please provide proof of bonding coverage without a deductible to this office as soon as possible, but not later than September 2, 2018.

I want to extend my personal appreciation to the Pitt Police Association 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. Corey Rodgers, President