

**U.S. Department of Labor**

Office of Labor-Management Standards  
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November 8, 2019

Mr. Thomas Massone, President  
United States Court Security Officers  
35 Market Street #30  
Poughkeepsie, NY 12601

Case Number: 130-6014931 [REDACTED]  
LM Number: 541599

Dear Mr. Massone:

This office has recently completed an audit of United States Court Security Officers (USCSO) 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 Business Agent Dan Hauschild on November 1, 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 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 the USCSO's 2018 records revealed the following recordkeeping violations:

1. Credit Card Expenses

The USCSO did not retain adequate documentation for credit card expenses incurred by union officers and employees totaling at least \$2,566. The following examples were found:

- A review of the union's records disclosed a voucher completed by Business Agent Dan Hauschild, reflecting a meal at O'Keefe's Bar and Grill totaling \$1,873, on December 14, 2018, for a District Meeting held in Brooklyn, NY. While the meal receipt, credit card billing statement, meeting agenda and sign-in sheet were attached to the voucher, the meal receipt was not itemized.
- A review of the union's records also disclosed a voucher completed by District Vice President Nicholas Kent, reflecting a meal at Mama Ricotta's restaurant, totaling \$333, on April 18, 2018, for a District Meeting held in Charlotte, NC. While the meal receipt, meeting agenda and sign-in sheet were attached to the voucher, the meal receipt was not itemized.
- A review of the union's records also disclosed a voucher completed by District Vice President Deron Smith, reflecting a meal at Beef O'Brady's restaurant, totaling \$360, on November 16, 2018, for a District Meeting held in Orlando, FL. While the meal receipt, meeting agenda and sign-in sheet were attached to the voucher, the meal receipt was not itemized.

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. Meal Expenses

The union 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.

- The CAP found that the union failed to maintain a receipt from a January 22, 2016 meal held in connection with an Executive Board meeting, at Vic Anthony's Steakhouse, located in Las Vegas, NV. Although the voucher, agenda and sign-in sheet were maintained, a meal receipt must also be maintained.

The USCSO's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, while the three transactions noted above, under the heading "credit card expenses," contained sign-in sheets with the names of persons who attended and the agenda's showing the general reasons for meeting, the information provided was not adequate to determine the substance of the meeting and who specifically participated. 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.

3. Information not Recorded in Meeting Minutes

Review of the USCSO's records found that the District Vice Presidents did not maintain minutes reflecting the discussions held at District Meetings, although an agenda was distributed prior to the meetings. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

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

Other Violations

The audit disclosed the following other violation:

1. 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 USCSO's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to USCSO 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