



February 4, 2010

Mr. Blake Thomas, President  
Treasury Employees Union  
14440 W. 45th Dr.  
Golden, CO 80403

LM File Number: 516-295  
Case Number: [REDACTED]

Dear Mr. Blake:

This office has recently completed an audit of Treasury Employees Union 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 and Jane Allard on February 4, 2010, 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 Chapter 231's records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Chapter 231 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers.

As previously 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

Chapter 231 did not require officers and employees to submit itemized receipts for 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.

3. Failure to Record Receipts

Chapter 231 did not keep receipts records. 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 the change in the chapter's leadership, the current reforms it is undertaking, and your assurance that Chapter 231 will retain adequate documentation in the future, 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 LM-3 filed by Chapter 231 for fiscal year ending 9/30/08, was deficient in the following area:

### Failure to Report Disbursements

Chapter 231 did not report any disbursements in its' LM-3 report for FY 2008, yet the end of year cash balance indicated that the union made disbursements. In addition, \$16,000 in cash was listed as an investment instead of cash.

I am not requiring that Chapter 231 file an amended LM report for 2008 to correct the deficient items, but Chapter 231 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Treasury Employees Union Chapter 231 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: Ms. Jane Allard, Secretary-Treasurer