



SENT VIA ELECTRONIC MAIL

March 4, 2024

Ms. Atherine Wilson, President
National Treasury Employees Union Chapter 47
PO BOX 277
Vails Gate, NY 12584

Case Number: 130-6026940()
LM Number: 502400

Dear Ms. Wilson:

This office has recently completed an audit of National Treasury Employees Union (NTEU) Chapter 47 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you, Treasurer Martin Fried, and Executive Vice President Spencer Gould on February 22, 2024, the following problems were disclosed during the CAP for fiscal year ending September 30, 2022. 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 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain 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 NTEU Chapter 47's records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

NTEU Chapter 47 did not always retain adequate documentation for reimbursed expenses incurred by union officers totaling at least 3,127. For example, the Sprint wireless bills for four months starting in October 2021 did not include the invoice.

NTEU Chapter 47 had a few expenses that were unclear to the reasoning and the voucher supplied listed only “gift” with no other explanation, invoice, or meeting minutes approval. This included a retirement gift on December 21, 2021 totaling \$500 to Dorothy Ford, as well as six “X-mas” gifts totaling \$2,100 to shop stewards. Former NTEU Chapter 47 Executive Vice President Kevin Swenson advised that There were a few shop stewards who went above and beyond during the year.

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

NTEU Chapter 47 records of meal expenses did not include a written explanation of union business conducted or the names and titles of the persons incurring the restaurant charges. Former NTEU Chapter 47 Executive Vice President Swenson provided a receipt on March 10, 2020 for \$2,815.08 at J and A American Grille Saratoga. The receipt only included that 31 people attended the dinner and failed to list the names and/or titles of the persons incurring the restaurant charges. 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. Reimbursed Auto Expenses

NTEU Chapter 47 had five officers and shop stewards who received reimbursement for business use of their personal vehicles and did not retain adequate documentation to support payments to them totaling at least \$865.79. Additionally, the union incurred expenses via tolls listed on the vouchers totaling at least \$95.68. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

4. Information not Recorded in Meeting Minutes

During the audit, former NTEU Chapter 47 Executive Vice President Swenson advised that the Saratoga conference and Hershey Park trip was discussed at the executive board meeting and authorized. A review of the meeting minutes from the three executive board meetings held during the audit year that there was no reference to any discussion of union finances, which includes the Saratoga conference and the Hershey Park trip. Therefore, if union finances were discussed during the executive board meetings, it was not recorded in the executive board meeting minutes. Additionally, there were no meeting minutes for the yearly membership meeting.

During the audit year, 11 vouchers were submitted and reimbursed for the Saratoga conference that does not appear to be authorized within the union's meeting minute records. NTEU Chapter 47 meeting minutes did not include any reference or discussion to the Hershey Park trip that cost the union \$18,584.96. Meeting minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Meeting minutes are an important source of documentation for a union's financial affairs. Records, including meeting minutes, that clarify, verify, and support information required to be reported on Form LM-3 must be accurate and retained. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

5. Lack of Salary Authorization

NTEU Chapter 47 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of Form LM-3 was the authorized amount and therefore was correctly reported. NTEU Chapter 47 Treasurer Martin Fried and NTEU Chapter 47 Secretary Cheryl Lassiter were paid \$300 more than the bylaws authorized. However, there is no record of the increase to the salary in the bylaws. The union must keep a record, such as membership meeting minutes, to show the current salary authorized by the union or individual with the authority to establish salaries.

Based on your assurance that NTEU Chapter 47 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (see Section 201(b) of the Labor-Management Reporting and Disclosure Act (LMRDA)) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report (Form LM-3) filed by NTEU Chapter 47 for the fiscal year ending September 30, 2022, was deficient in that.

Disbursements to Officers

NTEU Chapter 47 did not report the names of some officers who held office during the audit year and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year regardless of whether they received any payments from the union.

In addition, NTEU Chapter 47 did not include some reimbursements to officers totaling at least \$13,816.85 in the amounts reported in Item 24. It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to NTEU Chapter 47 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

NTEU Chapter 47 must file an amended Form LM-3 for the fiscal year ended September 30, 2022, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than March 8, 2022. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to NTEU Chapter 47 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