



April 2, 2024

Eric Davis, President
United Professionals Pro-Force of Savannah River
Local Union 125
227 Gateway Drive
Suite 269
Aiken, SC 29803

Case Number: 410-6027114()
LM Number: 543740

Dear Eric Davis:

This office has recently completed an audit of United Professionals Pro-Force of Savannah River Local 125 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 Treasurer Laurino Hooker on March 29, 2024, 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 Local 125's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed and Debit Card Expenses

Local 125 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by union officers totaling at least \$8,327.48. For example:

On February 14, 2022, there was a debit card transaction for \$53.37 at Papa's Kitchen for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

On June 29, 2022, there was a debit card transaction for \$62.62 at Papa's Kitchen for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

On September 2, 2022, there was a debit card transaction for \$53.57 at Subway for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

On August 29, 2022, there was debit card purchase for \$443.76 at Staples for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

On September 1, 2022, there was debit card purchase for \$1,004.37 at Staples for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

On September 9, 2022, there was debit card purchase for \$192.23 at Staples for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

On September 19, 2022, there was debit card purchase for \$404.29 at Staples for which there was no receipt or documentation for expense. The transaction was not listed in executive board or general membership meeting minutes.

There were 45 individual debit card transactions at floral shops Cannon House Florist, Ladybug Flowers, and Flower Shop Network totaling \$4,027.71 for which there was no receipt, invoice, or documentation for expense. The transactions were not listed in executive board or general membership meeting minutes.

There were three individual debit card transactions at AHH Sunshine, LLC totaling \$2,086.56 for which there was no receipt, invoice, or documentation for expense. The transactions were not listed in executive board or general membership meeting minutes.

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. Lost Wages

Local 125 did not retain adequate documentation for lost wage reimbursement payments to union officers in at least 22 instances. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 125 retained the lost time voucher with the name and number of hours claimed, however there was no defined purpose for the lost time. There were 22 instances totaling at least 420 hours of lost time totaling at least \$13,517.89 for which there was no clearly defined union purpose. Of the claims, there were 4 claims for at least 108 hours which did not have an amount of lost time paid by the union listed on the claim form. Each claim was initialed by the union treasurer and marked as paid.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 125 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 125 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 Form LM-2 filed by Local 125 for the fiscal year ended December 31, 2022, was deficient in the following area:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 125's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. For the fiscal year ending December 31, 2022, the OLMS audit revealed that Local 125 did not maintain books, disbursements journals, or receipts journals to record and explain receipts and disbursements. The union did not have dues checkoff reports detailing dues remitted to the union on behalf of local members. The Form LM-2 was filed based only upon account balances obtained from the union's bank statements.

I am not requiring that Local 125 file an amended LM report for 2022 to correct the deficient items, but Local 125 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

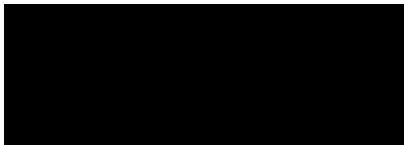
1. Inadequate Bonding

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 Local 125's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 125 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 United Professionals Pro-Force of Savannah River Local 125 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator