



May 28, 2024

Mr. Cary Eldridge, Treasurer
Staff Representatives Union
1340 West Fourth St.
Mansfield, OH 44906

Case Number: 350-6028301()
LM Number: 062519

Dear Mr. Eldridge:

This office has recently completed an audit of Staff Representatives Union (SRU) 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, President Wesley Thompson, Vice President Sean Logan, and Admin Terri Niese on May 28, 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 SRU's 2023 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

SRU did not retain adequate documentation for reimbursed expenses incurred by union

employees totaling at least \$265.10. For example, checks [REDACTED] and [REDACTED] paid to employees for reimbursement of travel expenses, specifically ground transportation and parking, were not adequately represented with receipts.

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. Failure to Record Receipts

SRU did not record in its receipt records interest earned in a savings account totaling \$9.16. SRU also failed to report a fraudulent check reimbursement in the amount of \$8,109 in its receipt records. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money.

Based on your assurance that SRU 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-3) filed by SRU for the fiscal year ended June 30, 2023, was deficient in the following areas:

1. Disbursements to Officers

SRU did not properly report officer compensation when officer consultant fees were reported in Column "E" (Allowances and Other Disbursements) of Item 24, All Officers and Disbursements to Officers. The compensation should be reported in Column "D" (Gross Salary).

The union must report most direct disbursements to SRU 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).

2. Failure to File Constitution

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. SRU amended its constitution and bylaws in 2022 but did not file a copy with its LM report for that year.

SRU has now filed a copy of its constitution and bylaws.

3. Loss or Shortage of Funds or Other Assets

During the audit period, officers discovered a fraudulent check in the amount of \$8,109 cleared the union checking account, but Item 15 of the LM-3 (Losses or Shortages) was answered "No". The union should have answered "Yes," and described the loss or shortage in detail in Item 56 (Additional Information), including such information as the amount of the loss or shortage of funds or a description of the property that was lost, how it was lost, and to what extent, if any, there has been an agreement to make restitution or any recovery by means of repayment, fidelity bond, insurance, or other means.


4. Acquire/Dispose of Property

Item 13 should have been answered, "Yes," because the union gave away cutlery sets totaling \$38,964.13 during the audit 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. OLMS is seeking voluntary compliance for future reports.

I am not requiring that SRU file an amended LM report for 2023 to correct the deficient items, but SRU has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to the Staff Representatives Union 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