



September 25, 2024
Mrs. Courtney Flanigan, President
Dameron Hospital Employees Association
525 W Acacia
Stockton, CA 95203

Case Number: 530-6029553()
LM Number: 511588

Dear Ms. Flanigan:

This office has recently completed an audit of Dameron Hospital Employees Association 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 on September 24, 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 Dameron Hospital Employees Association's 2023 records revealed the following recordkeeping violation:

1. Receipt Dates not Recorded

Dameron Hospital Employees Association did not record any receipts. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them. Failure to record a disbursement could result in underreporting disbursements in the year the funds were disbursed.

2. Disbursements not Recorded

Dameron Hospital Employees Association did not record a disbursement in the amount of \$2,000. Failure to record a disbursement could result in underreporting disbursements in the year the funds were disbursed.

Based on your assurance that Dameron Hospital Employees Association 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-4) filed by Dameron Hospital Employees Association for the fiscal year ended December 31, 2023, was deficient in the following areas:

1. Receipts

On Item 16, Dameron Hospital Employees Association reported that it did not receive any receipts in 2023, though it received over \$2,000 in receipts. A union is only to enter "0" if the labor organization made no disbursements during the reporting period.

2. Assets at the End of the Period

On Item 14, Dameron Hospital Employees Association reported that its assets at the end of 2023 was \$39,748, but the correct amount was \$38,148. Assets include, for example, cash on hand and in banks, property, loans owed to the labor organization, investments, office furniture, automobiles, and anything else owned by the labor organization.

3. Bond

On Item 12, Dameron Hospital Employees Association reported that the maximum amount recoverable for a loss caused by any officer, employee, or agent of the labor organization who handled the labor organization's funds was \$300. The union has a bond for \$5,000, so it should report that the maximum recoverable amount is \$5,000.

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

I want to extend my personal appreciation to Dameron Hospital Employees Association 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,



Senior Investigator