



August 16, 2005

Ms. Peggy Archer
Treasurer
Treasury Employees Union
Chapter 32
5334 Braun St.
Arvada, CO 80002

Re: Case No. 2

Dear Ms. Archer:

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 President Mary Wright on 8/15/05, 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.

The CAP disclosed that Union officers failed to retain adequate documentation for reimbursed expenses, for expenses charged to their credit cards, and for lodging expenses, which were direct pay by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. For example, check # 7 was used to pay for lodging expenses for the 2004 Legislative Conference in Washington, DC, but you failed to keep adequate receipts. The only document provided was a piece of paper with the name of the attendees but the original receipt from the Doubletree Hotel was missing.

With respect to documentation retained in support of specific disbursements (including those in payment of credit card charges), the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt.

On several occasions, when the president used her personal credit card to pay for materials or food for training sessions the only documentation retained by the union was a copy of the body of the president's personal credit card statement, which was missing descriptive information therefore, this documentation was inadequate. The retention of the original receipt is adequate. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

Criminal provisions of the Section 209 (c) of the LMRDA states that any person who willfully makes a false entry in or willfully conceals, withholds, or destroys any books, records, reports or statements required to be kept by any provision of this title shall be fined not more than \$10,000 or imprisoned for not more than a year, or both. For future disbursements make sure that adequate documentation is retained. No additional enforcement action will be taken regarding this violation.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Ms. Wright successors at whatever time you may leave office.

I want to thank you and Ms. Wright for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact any representative of our office or me.

Sincerely,

F(c)

Investigator

cc: Mary Wright, President