

FILED
UNITED STATES DISTRICT COURT
DENVER, COLORADO

MAY 1 - 2008

GREGORY C. LANGHAM
CLERK

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF COLORADO

UNITED GOVERNMENT SECURITY)
OFFICER OF AMERICA,)
INTERNATIONAL UNION)
8620 Wolff Ct., Suite 210,)
Westminster, CO 80030,)
Plaintiff,)
vs.)
RONALD SMITH,)
c/o Donna Hammond)
Box 1007 Lot P-3)
Zapata, TX 78076,)
Defendant)

Case No.: No. 08-CV-00661
Ewn-KLM

RESPONSE TO COMPLAINT

Now comes the Defendant, Ronald Smith, to answer the complaint issued by the Plaintiff, United Government Security Officers of America, International Union ("UGSOA").

GENERAL RESPONSE

1. Mr. James Vissar, ("Vissar"), (deceased) was the International President of the UGSOA at the time of my employment and the Officer responsible for the Trusteeship under question. Vissar signed most the Department of Labor, Employment Standards Administration, Office of Labor-Management Standards, ("OLMS") required reports which states "Each of the undersigned, duly authorized officers of the above labor organization, declares, under penalty of perjury and other applicable penalties of law, that all of the information submitted in this report (including information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned individual's knowledge and belief, true, correct and complete (See Section V on penalties in the instructions.)"

2. Mr. James Carney, ("Carney") was the International Senior Vice-President of the UGSOA at the time of my employment and the 2'nd Officer responsible for the Trusteeship under question and the Director of the Federal Division to which Local 38 belongs. Carney signed one or two of the OLMS required reports which states "Each of the undersigned, duly authorized officers of the above labor organization, declares, under penalty of perjury and other applicable penalties of law, that all of the information submitted in this report (including information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned individual's knowledge and belief, true, correct and complete (See Section V on penalties in the instructions.)"

3. Mr. J.A. Tucker, ("Tucker"), was the General Counsel of the UGSOA at the time of my employment and responsible to monitor all Attorneys working cases for the UGSOA. Tucker was heavily involved in the Trusteeship of UGSOA Local 38.
4. All incoming mail, including any document delivery service, was reviewed by an Officer of the UGSOA prior to being distributed. This was traditionally Vissar's duty with Carney filling in when Vissar was not available. All Bank statements, bills, and documents were reviewed prior to being delivered to the Defendant.
5. All OLMS reports required the signature of the International President (Vissar) or Senior Vice-President (Carney) along with the Trustee (Defendant).

"IV. WHO MUST SIGN THE REPORT

Form LM-15 must be signed by the president and treasurer or corresponding principal officers of the parent labor organization imposing the trusteeship and the trustees of the subordinate labor organization."

"VIII. OFFICER RESPONSIBILITIES AND PENALTIES

Each individual required to sign Form LM-15 is personally responsible for its filing and accuracy. The LMRDA provides criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or

for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it. The reporting labor organization and the officers and trustees required to sign Form LM-15 are also subject to civil prosecution for violations of the filing requirements. According to Section 210 of the LMRDA, "whenever it shall appear that any person has violated or is about to violate any of the provisions of this title, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate." Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. Individuals responsible for signing Form LM-15 are also subject to criminal penalties for false reporting under section 1001 of Title 18 of the United States Code."

- 6. The OLMS was auditing the Trusteeship throughout the Trusteeship due to a complaint filed by a Local 38 Member against the International Union for imposing the Trusteeship. OLMS approved the financial accounts as far as the Trusteeship was concerned. Last inspection by the OLMS was in August or September of 2006.**

- 7. As the Defendant has no current income and no real assets, I will answer these claims as best I can. As I am not an Attorney, I ask the Court forgive any improper responses. I believe this suit is inappropriate as all the parties to the Trusteeship are not included even though they are covered by the civil and criminal processes of the OLMS. The President and Senior Vice-President of the UGSOA signed sworn oaths that the records are correct and now, almost 2 years later, the UGSOA claims they are not. As I believe the UGSOA**

has lost or misplaced the documents in question, I categorically deny all claims made against me.

8. Item 5 & 6, UGSOA has no instructional manual or specific policies concerning Trusteeships. This was the first and only major Trusteeship that was assigned to me and the International Officers was well aware I had no experience in Trusteeships. UGSOA consisted of 10 Employees and we all had to handle whatever we were assigned, whether or not we were qualified. UGSOA's Constitution clearly defines the responsibility of a Trusteeship: "Section 2.If a trusteeship is imposed, the International President shall appoint a trustee, who shall administer the affairs of the chartered body during the trusteeship. The trustee shall act under the supervision of the International President, who may remove him or her at any time and appoint a successor;"
9. Item 7, The LM-2 report described in the claim was reviewed and approved by UGSOA's Officers as stipulated by their sworn signature on the form. The report was also audited by the OLMS as part of their investigation and accepted as filed.
10. Item 8, I do not know what methods were used for the audit, but UGSOA Officers and the OLMS agreed with my balances. Since Local 38 monies and the UGSOA monies were intermingled, I would need both sets of books to supply the information requested. I also was not responsible for the Local 38 at the first of 2004; the Trusteeship did not start until the end of May. As stated previously, Coon was originally assigned as Trustee.
11. Item 9, Businesses in Oregon and Washington would not accept checks written on the Trusteeship account which was located in a Denver, Colorado, Washington Mutual account due to collection problems if the checks were not valid. Cash was paid for many items and receipts obtained. UGSOA International Officers and the OLMS verified the proper use of funds and reviewed the cash receipts. The Defendant never wrote any Check to Ronald Mikell for \$7,500.00. If this is the results of an audit, it is primary proof

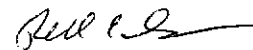
that such audit is flawed. I challenge anyone to provide a copy of any such check and I believe the court should sanction Mr. Tucker for making a "Statement of Fact" with absolutely no evidence.

- 12. Item 10,11,& 13, there is no item 12 listed, The defendant reiterates the fact that UGSOA Officers signed a Federal Government document swearing that the accounting was correct, I would have to see the records to properly contest them. Since Local 38 monies and the UGSOA monies were intermingled, I would need both sets of books to supply the information requested. Item 11 is outrageous, the Washington Mutual Bank statement will show a balance of less than \$500.00 at the time the account was closed. How could an audit show \$2000.00 more than what was in the account?**
- 13. Item 14. The Defendant never signed for any such certified letter, but I did become aware of the letter. I have no assets, including no car, and I have no way to travel 1180 miles to Denver and nowhere to stay while I am there. UGSOA has show in the past and again in their complaint that they are not to be trusted. My medical status would not have let me travel that far to begin with. Why would I even attempt to get to Denver? UGSOA could call me at anytime to discuss any problems. I never received any phone calls from UGSOA Officers, but Ronnie Vance, Bookkeeper, called me several times. The UGSOA negotiated Collective Bargaining Agreements, handles National Labor Relations Board Complains, and pre-arbitration negotiations by telephone and electronic transmissions, so why would I need to go to Denver?**
- 14. Count I, I have shown that UGSOA Officials had the responsibility to verify the accounts, and they signed sworn statements that the accounts were correct. As I was an Employee and not an Officer, the responsibility falls to UGSOA Officers. UGSOA also knows that no UGSOA property was removed from the office. Upon my termination, Ben Couch was assigned to stay with me while I cleaned out my desk and he verified that I was not taking any UGSOA property with me.**
- 15. Count II, Again, my work was verified as accurate as verified by my superior's signature on the OLMS required reports. The OLMS requires that "Each individual required to**

sign Form LM-15 is personally responsible for its filing and accuracy. The LMRDA provides criminal penalties for willful failure to file a required report and for false reporting."

16. Count III, again, all my actions were reviewed by UGSOA Officials and determined to be correct. The Defendants actions were under review by the OLMS and Employees of the OLMS has copies of all financial documents.
17. The Defendant claims that UGSOA has filed a frivolous lawsuit that not only contains bad information, but comes close to a criminal conspiracy. The Washington Mutual bank records will prove that there was less than \$500.00 when the account was closed. The court should recognize that any proper auditor can read a bank statement and there is no excuse, for making a statement of fact to the court, for \$2,000.00 more than was in the account. Making a statement of fact that the Defendant wrote a \$7,500.00 check to Ronald Mikell when the Plaintiff has no such check in their possession is reprehensible. I am not about to claim that all my actions were perfect as I was "learning as you go", but I did the best I could with a job duty that far exceeds my abilities and no one else would handle the task.

Dated this 30th day of April, 2008



Ronald E. Smith