U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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January 12, 2007

Mr. Chad Colucci, Secretary-Treasurer
Locomotive Engineers AFL-CIO
Division 292
12937 Elton Street
Navarre, OH 44662

Re: Case Number: [redacted]

Dear Mr. Colucci:

This office has recently completed an audit of Locomotive Engineers Division 292 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 July 27, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 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.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Division 292's 2005 records revealed the following recordkeeping violations:

- The CAP disclosed Union officers and employees failed to maintain adequate documentation for some reimbursed expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

- Division 292 failed to record some employer dues check-off checks and the bank interest earned on its checking account. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that Division 292 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

The CAP 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 Division 292 for fiscal year ending December 31, 2005, was deficient in the following areas:

- The name of one officer and the total amounts of payments to him or on his behalf were not reported in Item 24 (All Officers and Disbursements to Officers). All persons who held office during the year must be reported in Item 24 regardless of whether or not they received any payments from the union.

- Division 292 failed to include some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). Such payments were erroneously reported in Item 48 (Office & Administrative Expense).

Locomotive Engineers Division 292 has submitted an amended 2005 LM-3 Report to the Cleveland District Office correcting the errors listed above. Therefore, no further action is being considered regarding the violations at this time.

I want to extend my personal appreciation to Locomotive Engineers Division 292 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,

Fred Vaudrin
District Director

cc: Keith Wear, Locomotive Engineers DIV 292 President