



November 23, 2022

Ms. Krista Radloff, Financial Secretary-Treasurer  
Transportation Communications Union Local Lodge 763  
17809 Jaynes Street  
Omaha, NE 68116

Case Number: 510-6025263( )  
LM Number: 017289

Dear Ms. Radloff:

This office has recently completed an audit of Transportation Communications Union Local Lodge 763 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 Grand Lodge Auditor ( ) on November 21, 2022, 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 Violation

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 Local Lodge 763's 2021 records revealed the following recordkeeping violation:

#### Adequate Documentation Not Retained for Some Disbursements

Local Lodge 763 did not retain adequate documentation for hall rental payments to Omaha Association of the Deaf totaling \$652.50. 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.

### 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 Local Lodge 763 for the fiscal years ended December 30, 2020 and December 31, 2021, were deficient in the following areas:

1. Other Receipts Not Properly Reported on Fiscal Year 2020 LM-3 Report

On October 30, 2020, Local Lodge 763 received an electronic fund transfer into its checking account in the amount of \$4,916.48 from the termination of Local Lodge 512. It appears that this receipt was reported in Item 38 Dues but should have been reported in Item 43 Other Receipts.

2. Total Receipts and Total Disbursements Not Properly Reported on Fiscal Year 2021 LM-3 Report

Local Lodge 763 did not properly report receipts in Item 44 Total Receipts and Item 55 Total Disbursements. The audit revealed that total receipts for the audit year were \$56,617, but the local lodge reported \$55,335 in Item 44, which is a difference of \$1,282. The audit also revealed that total disbursements for the audit year were \$65,913, but the local lodge reported \$64,633 in Item 55, which is a difference of \$1,280.

3. Disbursements to Officers Not Properly Reported on Fiscal Year 2021 LM-3 Report

Local Lodge 763 did not include some salary, lost time, and expense reimbursement payments to officers totaling at least \$6,365.26 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 46 To Employees and Item 48 Office and Administrative Expense.

The union must report salary and lost time payments to officers in Item 24, Column D, and most direct disbursements to Local Lodge 763 officers and some indirect disbursements made on behalf of its officers in Item 24, Column E. 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).

Local Lodge 763 must file an amended Form LM-3 for the fiscal year ended December 31, 2020 and December 31, 2021, to correct the deficient items discussed above. The reports must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). The amended Form LM-3 must be filed no later than December 5, 2022. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Transportation Communications Union Local Lodge 763 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,

[REDACTED]

Investigator

cc: Mr. David McDaniel, President  
[REDACTED], Grand Lodge Auditor