

**U.S. Department of Labor**

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April 26, 2023

Mr. David Hendricks, Treasurer  
Locomotive Engineers, IBT  
Division 325  
121 Dillion Street  
Beaver Falls, PA 15010

Case Number: 140-6025816( )  
LM Number: 007392

Dear Mr. Hendricks:

This office has recently completed an audit of Locomotive Engineers, IBT, Division 325 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 March 23, 2023, 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 Division 325's 2022 records revealed the following recordkeeping violation:

### General Reimbursed Expenses

Division 325 did not retain adequate documentation for reimbursed phone expenses incurred by Treasurer David Hendricks totaling at least \$799.60. For example, Treasurer Hendricks received reimbursement each month for use of his personal phone for union business, but the union did not maintain the phone bill.

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.

Based on your assurance that Division 325 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violation

#### Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Division 325 amended its constitution and bylaws in 2015 but did not file a copy with its LM report for that year. Division 325 is in the process of updating their bylaws and agreed to file a copy with OLMS once the process is complete.

I want to extend my personal appreciation to Division 325 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,

  
Investigator

cc: Mr. Robert McLean, President