



November 8, 2023

Mr. Matthew Deaton, Financial Secretary
Brotherhood of Railroad Signalmen Local Lodge 94
266 Township Road 581
Sullivan, OH 44880

Case Number: 350-6027446()
LM Number: 008-832

Dear Mr. Deaton:

This office has recently completed an audit of Brotherhood of Railroad Signalmen (BRS) Local Lodge 94 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 on November 6, 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 Violations

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 94's 2022 records revealed the following recordkeeping violation:

Lack of Salary Authorization

Local Lodge 94 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amount and therefore were correctly reported. The union must keep a record, such as meeting minutes,

to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local Lodge 94 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 94 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Disbursements to Officers

Local Lodge 94 did not include some reimbursements to officers totaling at least \$1,782.84 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to Local Lodge 94 officers and some indirect disbursements made on behalf of its officers in Item 24. 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).

2. 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. Local Lodge 94 amended its constitution and bylaws in 2017 but did not file a copy with its LM report for that year.

I am not requiring that Local Lodge 94 file an amended LM report for 2022 to correct the deficient items, but Local Lodge 94 has agreed to properly report the deficient items on all future reports it files with OLMS. Local Lodge 94 has also agreed to file all future reports electronically.

I want to extend my personal appreciation to Brotherhood of Railroad Signalmen Local Lodge 94 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. Michael A. Muzzy, Local President