



December 5, 2023

Mr. Mark Bowen, General Chairman
Railroad Signalmen GC 58
3246 North County Road 5
Fostoria, OH 44830

Case Number: 350-6027314()
LM Number: 506939

Dear Mr. Bowen:

This office has recently completed an audit of Railroad Signalmen GC 58 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 December 4, 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 General Committee 58's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

General Committee 58 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Jeffrey Lindenbaum for at least \$25,000. For example, in

May and June 2022, seven checks were made out to Lindenbaum for “salary” when some were for unused vacation payments.

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.

2. Meal Expenses

General Committee 58 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$150. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

General Committee 58 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, Lindenbaum had two charges for a rooftop bar included on his invoice for a hotel but did not include an itemized receipt for the charges, or who the charges were for. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Reimbursed Auto Expenses

Union officers and employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them during 2022. Many mileage reimbursements did not retain information that indicated the locations traveled to/from. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that General Committee 58 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Recording 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 General Committee 58 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, “Yes,” because the union gave away convention t-shirts totaling more than \$700 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as “members” or “new retirees.” In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

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. General Committee 58 amended its constitution and bylaws in 2022, but did not file a copy with its LM report for that year.

As agreed, General Committee 58 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than January 5, 2024.

I am not requiring that General Committee 58 file an amended LM report for 2022 to correct the deficient items, but General Committee 58 has agreed to properly report the deficient items on all future reports it files with OLMS. General Committee 58 has also agreed to file all future reports electronically.

Other Issue

During the audit, it was found that the committee misreported \$25,919 in accounts payable, Item 32, on their LM report. General Committee 58 does not have accounts payable. OLMS requests that General Committee 58 corrects this error in their records and on the LM report it files for 2023.

I want to extend my personal appreciation to Railroad Signalmen GC 58 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

