

**U.S. Department of Labor**

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June 20,2008

Mr. Christopher Hummer  
Secretary Treasurer  
Transport Workers, AFL-CIO  
Local Union 2020  
11106 Ortner Road  
Darien Center, NY 14040

LM File Number: 021-676

Case Number: [REDACTED]

Dear Mr. Hummer:

This office has recently completed an audit of Transport Workers Local 2020 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 President David Kellner and yourself on June 12,2008, 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 Transport Workers Local 2020's records for fiscal year ending December 31, 2007 revealed the following recordkeeping violations:

1. General Expenses and Debit Card Transactions

Local 2020 did not retain adequate documentation for expenses using the union's debit card by President David Kellner and Secretary Treasurer Christopher Hummer totaling at least \$725. For example, the union did not retain a hotel bill for Tropicana Casino and Resort in Atlantic City for \$395.01. In addition, there were two charges at Blooms Today totaling \$146.96 which failed to be accompanied with an invoice.

As previously 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. Lost Wages

Local 2020 did not retain adequate documentation for lost wage reimbursement payments to several officers including President Kellner and Secretary Treasurer Hummer in all of the instances in which lost wage payments were received. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 2020 did maintain a voucher for lost wages; however the officers requesting lost wage reimbursements did not identify the date of the loss and the rate of pay, but rather lumped hours for the entire month on one voucher without indicating dates and specific purposes for the loss.

During the exit interview, I provided examples for the current expense/lost wage voucher to satisfy this requirement. The examples identify the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Reimbursed Auto Expenses

Secretary Treasurer Hummer and President Kellner received reimbursement for business use of their personal vehicles and did not retain adequate documentation to support those payments totaling at least \$1900 during 2007. 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.

4. Meeting Minutes not Retained

During the audit it was revealed that the membership meeting minutes were not retained by Local 2020. The meeting minutes for both executive board and membership meetings need to be retained and secured by the union. It is the responsibility of the officers to maintain adequate minutes for both meetings and safeguard those minutes.

Based on your assurance that Local 2020 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 Transport Workers Local 2020 for fiscal year ending December 31, 2007 was deficient in the following areas:

1. Disbursements to Officers

Local 2020 did not include some reimbursements to officers totaling at least \$2,200 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 2020 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. Per Capita Tax

Local 2020 failed to report the entire amount of per capita tax paid during 2007 in Item 47 (Per Capita Tax). The union failed to include payments made to the NYS AFL-CIO. It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

I am not requiring that Local 2020 file an amended LM-3 report for 2007 to correct the deficient items, but Local 2020 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to President Kellner and you for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and any 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: David Kellner, President