

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Birmingham Resident Investigative Office
950 22nd Street North
Room 601
Birmingham, AL 35203
(205)731-0239 Fax: (205)731-0305



December 15, 2008

Mr. Paul Emert, General Chairman
Transportation Union IND
General Committee of Adjustment 898
427 W Broadway Avenue
Maryville, TN 37801

LM File Number 002-958

Case Number: [REDACTED]

Dear General Chairman Emert:

This office has recently completed an audit of General Committee of Adjustment 898 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 April Turbyfill and you on November 18, 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. The CAP disclosed the following:

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 GCA 898's 2007 records revealed the following recordkeeping violation:

Fixed Assets

GCA 898 did not have a fixed asset list or inventory sheet for the audit year. The union had fixed assets, including, but not limited to: Computers, printers, telecommunications system, office furniture, and a refrigerator. During the audit the union valued their fixed assets at \$5750.00 as of January 1, 2007 and \$17,750.00 as of December 31, 2007. The proper maintenance of union records is the personal responsibility of the individuals who are required to file GCA 898's LM report.

Based on your assurance that GCA 898 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

The audit disclosed violations of LMRDA Section 201(a&b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-2) filed by GCA 898 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Failure to File By Laws

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. GCA 898 amended its constitution and bylaws in 2003, but did not file a copy with its LM report for that year or any year since. As agreed, GCA 898 will file a copy of its current

constitution and bylaws with OLMS as soon as possible but not later than December 1, 2008.

2. Fixed Assets

The cash figures reported in Item 27(a) and 27(b) and reported on Schedule Number Six are not the correct figures according to the union's fixed asset holdings and their value. The union reported \$0.00 in fixed asset holdings for the year beginning January 1, 2007 and \$7,800.00 for the year ending December 31, 2007. The union placed the estimated value of their fixed asset holdings at \$5750.00 as of January 1, 2007 and \$17,750.00 as of December 31, 2007. The instructions for Schedule Number 6 state that the union should report the book value of all fixed assets such as office furniture and equipment owned by the union at the start and end of the reporting period.

I am not requiring that General Committee of Adjustment 898 file an amended LM-2 report for 2007 to correct the deficient items, but General Committee of Adjustment 898 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to General Committee of Adjustment 898 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: Mark Cook, Assistant Chairman