



September 4, 2013

Mr. Luis Reyes, Secretary-Treasurer  
Transport Workers AFL-CIO  
Local Union 570  
5705 N.W. 38<sup>th</sup> Street  
Miami Springs, FL 33166

Case Number: 410-15301 [REDACTED]  
LM Number: 530-398

Dear Mr. Reyes:

This office has recently completed an audit of [REDACTED] 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 August 26, 2013, 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 570's 2012 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 570 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$1,047.00. For example, there were reimbursement check payments made for expenses involving the purchase of gas for privately-owned vehicles of

union stewards; however, Local 570 did not keep “steward monthly reports” to support that gas expenses were used for union business. In addition, there was an officer expense for the purchase of office supplies that was supported by a “copy” of a receipt and there was no purpose recorded to support that the supplies were used for union business.

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. Meal Expenses

Local 570 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons participating in meals. For example, all receipts for food items were kept; however, the names of individuals participating in the meals, and the nature of union business conducted during the meal were not recorded on meal receipts totaling at least \$819.00. 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.

Based on your assurance that Local 570 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above recordkeeping 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-2) filed by Local 570 for fiscal year ending December 31, 2012 was deficient in the following area:

#### 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 570 amended its constitution and bylaws on October 25, 2007, but did not file a copy with its LM report for that year.

Local 570 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to 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. Daniel Rivera, President