



August 24, 2015

Jennifer Coleman, Secretary Treasurer
UTU Local 1962

Case Number: 350-6002387
LM Number: 529434

Dear Jennifer Coleman:

This office has recently completed an audit of UTU Local 1962 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 July 1, 2015, 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 1962's 2014 records revealed the following recordkeeping violations:

- 1) Receipts are not recorded in union record and a separate union book cash balance is not maintained. Also, automatic debits transactions from the union's checking account were not tracked in the union record.

A separate union record such as a monthly ledger should be maintained in order to reconcile union cash balances, receipts and disbursements against the union's bank account(s).

- 2) Some payment vouchers and support documentation were not found in the record for a small percentage of the payments to officers and members.

Ensure that all disbursements have sufficient supporting documentation to justify the payment, such as voucher, receipts, meeting minute authorizations, and ledger entries.

Reporting Violations

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 1962 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year.

Local 1962 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to UTU Local 1962 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: Jon Hibler, President