

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Los Angeles District Office
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July 15, 2008

Mr. Peter Cabrera, Treasurer
United Transportation Union, Local 1544
10227 Parise Drive
Whitter, CA 90604

LM File Number: 009-123
Case Number: [REDACTED]

Dear Mr. Cabrera:

This office has recently completed an audit of United Transportation Union, Local 1544 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 June 20, 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 audit disclosed:

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 1544 for fiscal year ending December 31, 2007, 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 1544 amended its constitution in 1995 and bylaws in 1984, but did not file a copy with its LM report for those years.

Local 1544 has now filed a copy of its constitution and bylaws.

Other Issue

Use of Signature Stamp

During the audit, you advised that it is Local 1544's practice for you and President Gary Proctor to sign all union checks and your signature stamp is used on union checks when you are not available to sign the checks. Article 59 and Article 64 of Local 1544's constitution requires that checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 1544 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to United Transportation Union, Local 1544 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,

Alan Weiss
District Director

cc: Mr. Gary Proctor, President