

U.S. Department of Labor

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July 3, 2008

Mr. Francis Wynne, Secretary Treasurer
Railroad Signalmen AFL-CIO
General Committee 62
31 E. 6th Street
Lansdale, PA 19446

LM File Number 542-121
Case Number: [REDACTED]

Dear Mr. Wynne:

This office has recently completed an audit of Railroad Signalmen GC 62 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, 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 General Committee 62's records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

General Committee 62 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$1,739.20. For example, General Chairman David Ingersoll received expense payments totaling \$19,915.32 during the audit year. Union records only contained receipts for expense disbursements totaling \$18,176.12. In 2007 the union did not require officers and employees to provide receipts for disbursements under \$25.00. Union records also did not contain backup documentation detailing the purpose of all of the officer and employee expense disbursements. During the audit backup documentation was obtained that verified the purpose of the majority of expense disbursements to officers and employees.

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. Disposition of Property

General Committee 62 did not maintain an inventory of the property it purchased, and gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

In 2007 General Committee 62 made a disbursement to K & R Industries for \$698.05 to purchase tee shirts. Union records do not contain any records regarding the distribution of the tee shirts. During the audit General Committee 62 provided a list of all officers that received the tee shirts. Interviews were conducted of some of those officers and they verified that the tee shirts were given without cost to all officers that attended the October 2007 Atlantic Eastern General Committee Convention.

As previously mentioned above the union must record in at least one record the disposition of union property.

Based on your assurance that General Committee 62 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Railroad Signalmen GC 62 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: David Ingersoll, General Chairman