

U.S. Department of Labor

Office of Labor-Management Standards
Cleveland District Office
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September 17, 2010

Mr. Michael Strum, Treasurer
Transportation Union IND
Local 2
1072 Blue Jay Drive
Bowling Green, Ohio 43402

LM File Number 530-016
Case Number: [REDACTED]

Dear Mr. Strum:

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 [REDACTED] on September 10, 2010, 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 2's 2010 records revealed the following recordkeeping violations:

Voided Checks

Local 2 did not retain voided checks # [REDACTED] and # [REDACTED].

All union records, created, used, or received during the course of union business, and which are necessary to verify, explain or clarify, and check for accuracy and completeness on the LM report (including voided checks) must be retained for five years following the date the LM is filed.

Based on your assurance that Local 2 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above 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-3 filed by Local 2 for the fiscal year ended December 31, 2009, was deficient in that:

Purchase of Fixed Assets

Local 2 did not include a disbursement for a computer purchased for your organization totaling at least \$1,110.08 in Item 52 (Purchase of Investments and Fixed Assets). It appears the union erroneously reported these payments in Item 24.

Reimbursements to officers for the purchase of fixed assets, such as the reimbursement to Treasurer Michael Strum for a computer purchased for office use, must be reported in Item 52 and explained in Item 56.

I am not requiring that Local 2 file an amended LM report for 2009 to correct the deficient items, but Local 2 has agreed to properly report the deficient items on all future reports it files with OLMS.

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,



Senior Investigator

cc: Jeff Kanfeld, President