



August 23, 2013

Mr. Chris Drew, Secretary Treasurer
Transportation Union Independent
Local Union 1628

Case Number: 150-10416 [REDACTED]
LM Number: 042970

Dear Mr. Drew:

This office has recently completed an audit of Transportation Union Independent, Local Union 1628 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 22, 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 Union 1628's 2012 records revealed the following recordkeeping violations:

1. Reimbursed Officer Expenses

Local Union 1628 did not retain adequate documentation for reimbursed expenses to officers for cell phone and internet charges. During the audit, you reported these records were lost during a recent move.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of the labor unions, who are required to sign the union's LM reports, are responsible for properly maintaining union records.

2. Lost Wages

Local Union 1628 did not retain adequate documentation for lost wage reimbursement payments to union officers. For example, during the audit year, six officers received approximately 30 days of lost wages. These payments were written to union officers, using the explanation of "lost day;" however, union records did not provide additional information. The union must maintain records in support of lost time wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, which contained a sample of an expense voucher Local Union 1628 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local Union 1628 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation

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 Union 1628 for the fiscal year ended December 31, 2012 was deficient in the following areas:

1. Disbursements to Officers

Local Union 1628 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. For example, Clairton Chairman James Keith and Mainline Chairman Jon Madaras both received lost time payments in 2012; however, these payments were not properly reported in Item 24. It appears these wages were erroneously reported in Item 46 (To Employees).

The union must report most direct disbursements to Local Union 1628 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct

disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense). Any expenses or disbursements to officers or employees must be listed in Item 46. See the instructions for Item 46 for more details.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union file a copy of its constitution and bylaws with the Department of Labor. During the audit, the union provided an updated copy of its bylaws to OLMS. However, the union failed to previously file these bylaws with the Department of Labor. Local Union 1628 was reminded of their obligation to file their bylaws with the Department of Labor. In addition, in the event of any changes to their bylaws, they were reminded they could provide these bylaws when filing their LM report.

I want to extend my personal appreciation to Transportation Union Independent Local Union 1628 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. Steve Fanala, President