



June 16, 2014

Mr. Michael Eddy, Secretary Treasurer
Transportation Union Ind
Local Union 1393
21 Michael Anthony Lane
Depew, NY 14043

Case Number: 110-6000408
LM Number: 002-415

Dear Mr. Eddy:

This office has recently completed an audit of Transportation Union, Local 1393 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 President Jeffrey Marx, Local Chairmen Robert Kuzara and Michael Wyant, and you on May 20, 2014, 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 1393's 2013 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 1393 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$1,121. For example, personal cell phone bills were reimbursed to officers for union business use; however, the bills were not always attached to the officers' expenses voucher.

As 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. Reimbursed Auto Expenses

Local Chairmen Robert Kuzara and Michael Wyant, who received reimbursement for business use of their personal vehicles, did not retain adequate documentation to support payments to them totaling at least \$3,407 during 2013. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Lost Wages

Local 1393 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees on at least two occasions. The union must maintain records in support of lost 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. The OLMS audit found that Local 1393 properly reimbursed officers for a lost day's pay at the authorized rate; however the date of the loss and the description of union business conducted was not properly recorded.

During the exit interview, I explained the required record of information and included with this letter is a sample of an expense voucher Local 1393 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 1393 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 1393 does not have a clear policy regarding the types of expenses officers may claim for reimbursement and the amounts of allowable reimbursed expenses, including cell phone reimbursements and other expenses incurred. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Transportation Union, Local 1393 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,

Jennifer L. Rudewicz
Supervisory Investigator

cc: Mr. Jeffrey Marx, President
Mr. Robert Kuzara, Local Chairman
Mr. Michael Wyant, Local Chairman