



September 21, 2015

Ms. Gina Drinkwater, Financial Secretary-Treasurer  
Transportation Communication Union, Lodge T- 5098  
[REDACTED]

Case Number: 310-6004192( [REDACTED] )  
LM Number: 516511

Dear Ms. Drinkwater:

This office has recently completed an audit of Transportation Communication Union, Lodge T-5098 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 September 17, 2015, 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 Lodge T-5098's 2014 records revealed the following recordkeeping violations:

#### 1. General Expenses

Lodge T-5098 did not retain adequate documentation for general expenses and reimbursed

expenses incurred by union officers totaling at least \$253.31. For example supporting documentation was not maintained to support the November 12, 2014 payment to the USPS for stamps.

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. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership approves disbursements at the membership meeting held on the day of the election. Article III Section of TCU Lodge 5098 bylaws requires that a record be maintained of the proceedings of all membership meetings and of all executive board meetings. Lodge 5098 maintained no minutes for the membership or executive board meetings. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

## 3. Lack of Salary Authorization

Lodge 5098 did not maintain records to verify that the salaries reported in Item 24 (All Officers and Disbursements to Officers) of the LM-3 was authorized and therefore correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 5098 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(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. A search of OLMS disclosure files revealed a copy of Lodge T-5098's bylaws was not filed with OLMS. Lodge T-5098 has now filed a copy of its current bylaws.

During the exit interview you stated the bylaws are currently being amended you stated that you will submit a copy of the amended bylaws with its fiscal year ending December 31, 2015 LM-3 Report.

### Other Issues

#### 1. Account Signatory

During the CAP opening interview you stated that the Lodge's former Financial Secretary-Treasurer, although no longer a union officer remained a signatory on the Lodge's bank account. You also admitted that you were not a signatory on the Lodge's bank account, yet you were signing checks. On August 15, 2015, the former Financial Secretary-Treasurer was removed as account signatory and your name was added. OLMS recommends that Lodge T-5098 review these procedures to improve internal control of union funds.

## 2. Two Signatures on Checks

Currently only one officer signs checks; however one person should not be solely responsible for all financial transactions. It is recommended that a system of checks and balances be instituted, such as requiring two officers to sign all checks and not signing checks before the date, payee, and amount are entered. Also having three signatories on the account, for example one of the Trustees in case the Lodge General Chairman is not available to review and sign a check(s) in a timely manner. OLMS recommends that Lodge T-5098 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Transportation Communication Union, Lodge T-5098 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. Jeff Knudson, General Chairman