



April 30, 2015

Mr. Gary Schultz, TWU International Representative
Transport Workers Union AFL-CIO
Local 541
1201 Airport Frwy., Suite 386
Euless, TX 76041-4171

Case Number: 420-6003499()
LM Number: 513597

Dear Mr. Schultz:

This office has recently completed an audit of Transport Workers Union Local 541 AFL-CIO 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 April 13, 2015, the following problem was disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Record Keeping Violation

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 541's 2014 records revealed the following recordkeeping violation:

Local 541 failed to maintain 47 check stubs totaling \$23,500 that members were required to sign and provide a valid email address to receive a \$500 cashier's check to purchase a personal computer in order to facilitate communication of the American Airlines and USAir integration process.

As noted above, labor organizations must retain original receipts, bills, vouchers, or other

documentation 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.

During the CAP Exit interview, I provided you a compliance tip sheet, *Retention of Union Records*, that outlines general recordkeeping requirements for unions. The tip sheet identifies the types of information and documentation that unions must maintain for verification and clarification purposes.

Based on your assurance that Local 541 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Transport Workers Local 541 AFL-CIO 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