



December 21, 2017

██████████ Staff Assistant Government Reporting
Maintenance of Way Empls, IBT
41475 Garden Brook Road
Novi, MI 48375

Case Number: 410-6009506 ██████████
LM Number: 540-934

Dear ██████████:

This office has recently completed an audit of Maintenance of Way Empls, IBT Lodge 2912 under the Compliance Audit Program (CAP) to determine the 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 and National Division Auditors ██████████ and ██████████ on December 13, 2017, 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 2912's records for fiscal years ending March 31, 2015 and March 31, 2016 revealed the following recordkeeping violations:

Meal Expenses

Lodge 2912 did not require officers to submit documentation for meal expenses totaling at least \$1,275.76. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Lodge 2912 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, Lodge 2912 held a dinner for approximately 40 people, but the names of the attendees are not reflected in the union's records. Additionally, the records do not indicate the purpose of the meal. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that the parent body is now handling the financial affairs of Lodge 2912 in accordance with the recordkeeping requirement of LMRDA Section 206, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to National Division Auditor [REDACTED] and Maintenance of Way Empls, IBT Lodge 2912 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,

[REDACTED]
Investigator