



April 2, 2018

Mr. Jason Brown, Secretary-Treasurer
Locomotive Engineers, IBT, Division 153
1105 S. 600 E
Columbia City, IN 46725

Case Number: 310-6012273
LM Number: 043607

Dear Mr. Brown:

This office has recently completed an audit of Locomotive Engineers, IBT, Division 153 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 March 23, 2018, 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 Division 153's 2016 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Division 153 did not retain adequate documentation for a credit card expense incurred by Local Chairman Chris Garrison totaling at least \$62.97. Although an original credit card statement was retained which indicated a disbursement at Speedway, credit card statements alone are not sufficient to fulfill the recordkeeping requirement.

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. Lack of Salary Authorization

Division 153 did not maintain records to verify that the local chairman and vice local chairman salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. Although the Division 153's meeting minutes authorized the number of days paid to the local chairman and vice local chairman for conducting union business, Division's 153's current Standing Rules/Bylaws only contained an authorized daily rate of pay for the local chairman when conducting union business. Nevertheless, the authorized daily rate for the local chairman listed in the Standing Rules/Bylaws revised in 2013 no longer appears to be the correct authorized amount. 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 Division 153 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 LM-3 filed by Division 153 for the fiscal year ended December 31, 2013, was deficient in that Division 153 amended its constitution and bylaws in 2013, but did not file a copy with its LM report for that year in violation of LMRDA Section 201(a). In accordance with Section 201(a), unions must submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws.

Division 153 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Locomotive Engineers, IBT, Division 153 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. Steven Reynolds, President