



March 16, 2018

Ms. Alice Jordan, President  
Transportation Communications Union/IAM  
LG T84  
[REDACTED]

Case Number: 420-6011967 [REDACTED]  
LM Number: 033372

Dear Ms. Jordan:

This office has recently completed an audit of Transportation Communications Union/IAM LG T84 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, Financial Secretary-Treasurer Jennifer Spencer, and IAM Grand Lodge Auditor Alejandro Castrillo on March 13, 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 Lodge T84's 2016 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the CAP Opening Interview, Mr. Richard Stewart advised OLMS that Lodge T84 conduct its membership meetings the last Thursday of each month at different locations in Palestine, TX. Executive Board meetings are held the second Tuesday of each month at Mazzio's Pizza in Palestine, TX. Lodge T-84's membership authorizes disbursements at its membership meetings. However, the audit revealed that Lodge T84 failed to maintain meeting minutes for any of its membership and/or executive board meetings. Minutes of all membership or executive board meetings must be maintained and must report any disbursement authorizations made at those meetings.

2. Failure to Maintain Receipts for Disbursements

During the CAP Opening Interview, Mr. Richard Stewart advised OLMS that as Lodge T84's Financial Secretary-Treasurer, he was responsible for maintaining receipts for all disbursements. However, the audit revealed that Stewart failed to maintain receipts for any of Lodge T84's disbursements. At one point, Stewart alleged that Lodge T84's Trustees, Bobbie Lawrence and Milton Moore, viewed the receipts when the trustees conducted quarterly audits. Stewart subsequently alleged that he was required to mail all receipts to the Transportation Communications International Union without retaining copies.

OLMS' contacts during the audit with Lodge T84's Trustee Bobbie Lawrence and IAMAW Grand Lodge Auditor Alejandro Castrillo, revealed that Lawrence never viewed any receipts while conducting quarterly audits and Castrillo refuted Stewart's allegation that Stewart mailed the receipts to the Transportation Communications International Union.

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.

Based on your assurance that Lodge T-84 will retain adequate documentation in the future, OLMS will take no further action at this time regarding the above violation.

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 Form LM-3 filed by Lodge T84 for the fiscal year ended December 31, 2016, was deficient in that the beginning and ending balance reported on the LM-3 filed by Lodge T84 are incorrect. The cash figures reported in Item 25 (Cash) are not the figures according to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Lodge T84 must file an amended Form LM-3 for the fiscal year ended December 31, 2016, to correct the deficient item discussed above. I encourage Lodge T84 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than March 31, 2018 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Transportation Communications Union/IAM LG T84 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: Ms. Jennifer Spencer, Financial Secretary-Treasurer  
IAM Grand Lodge Auditor Alejandro Castrillo