



February 4, 2020

Mr. Albert Garcia, President
Amalgamated Transit Union Local 1225
[REDACTED]
Marina, CA 93933

Case Number: 530-6017367 [REDACTED]
LM Number: 031129

Dear Mr. Garcia:

This office has recently completed an audit of Amalgamated Transit Union Local 1225 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 and Treasurer Janelle Williams on December 20, 2019, 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 Local 1225's 2018 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

In 2018, President Albert Garcia was reimbursed at least \$1,163.86 for office supplies and other expenses that were not adequately described in union records and receipts were not maintained. For example, check [REDACTED] included \$356.14 for expenses that were not adequately documented.

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

The audit revealed that the union's records did not contain salary authorizations for chief shop stewards to show that salaries and other compensation were authorized and accurately reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2. 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 1225 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(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report Form LM-2 filed by Local 1225 for the fiscal year ended December 31, 2018, was deficient in the following areas:

1. Disbursements to Officers

Local 1225 did not report \$9,101.25 of Treasurer Williams' salary in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2.

The union must report most direct disbursements to Local 1225 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Accounts Receivable Inaccurately Reported

Local 1225 erroneously reported its total receipts, of \$271,983, for 2018 in Statement A, Item 23, Assets and Liabilities of the LM-2. The union has no accounts receivable accounts.

3. Failure to File Bylaws

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. Local 1225 amended its constitution and bylaws in December 2015, but did not file a copy with its LM report for that year.

Local 1225 has now filed a copy of its constitution and bylaws.

Local 1225 must file an amended Form LM-2 for the fiscal year ended December 31, 2018, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-2 must be filed no later than February 28, 2019. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Amalgamated Transit Union Local 1225 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. Janelle Williams, Treasurer