



January 23, 2020

Mr. Thomas Cute, President
Transit Union AFL-CIO LU 618
172 Longfellow Street
Providence, RI 02907

Case Number: 110-6014881
LM Number: 543368

Dear Mr. Cute:

This office has recently completed an audit of Transit Union AFL-CIO LU 618 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 Financial Secretary Kevin Cole on December 13, 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 618's 2017 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 618 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by you and Financial Secretary Kevin Cole totaling at least \$2,188.27. For example, on January 19, 2017, the union's credit card assigned to you was charged \$191.12 by "Web Network Solutions" and there was no documentation in the records to identify the nature of the union business or the original bill or invoice.

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.

Meal Expenses

Local 618 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$1,092.31. 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.

Local 618 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, on December 14, 2017 the union's credit card assigned to Financial Secretary Kevin Cole, was charged \$48.03 at "Catanzaro's Pizzeria" and there was no written explanation of the union business conducted or the names and titles of the persons incurring the restaurant charges. 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 Local 618 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

Expense Policy

As I discussed during the exit interview with you and Financial Secretary Kevin Cole, the audit revealed that Local 618 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union credit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Transit Union AFL-CIO LU 618 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,



Senior Investigator

cc: Mr. Kevin Cole, Financial Secretary