



December 15, 2020

Mr. David McCorkel, Financial Secretary  
Transportation Communications Union/IAM, AFL-CIO  
Lodge T-6060  
1020 Colonial Drive  
Alabaster, AL 35007

Case Number: 410-6018283  
LM Number: 031525

Dear Mr. McCorkel:

This office has recently completed an audit of Transportation Communications Union/IAM, AFL-CIO, Lodge T-6060 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, President David Shearrer, and Trustee Clinton Reeves on December 9, 2020, 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 T-6060's 2019 records revealed the following recordkeeping violations:

#### 1. Lost Wages

Lodge T-6060 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$1,780.16. The union must

maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Lodge T-6060 maintained lost vouchers; however, three of the vouchers did not have an adequate, detailed explanation of the type of union business conducted on each day lost time was claimed and instead listed only “union meeting”, and did not include a claimant or approving official signature. In addition, one of the three vouchers did not have a reason listed at all for the lost time payment.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Lodge T-6060 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

## 2. Meal Expenses

Lodge T-6060 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$113.63. 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 T-6060 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, a meal at Frankie&Johnnies (New Orleans, LA) on February 25, 2019, in the amount of \$45.23 did not have the names of attendees or nature of union business discussed. 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.

## 3. General Reimbursed Expenses

Lodge T-6060 did not retain adequate documentation for reimbursed expenses incurred by Former Financial Secretary Todd Pelkey totaling at least \$221.97. For example, check number [REDACTED], dated October 28, 2019, in the amount of \$221.97 payable to Pelkey for “Election Expense” did not have a receipt, invoice, bill, or other supporting documentation.

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.

## 4. Information not Recorded in Meeting Minutes

During the audit, Financial Secretary McCorkel advised OLMS that the membership authorized a \$300.00 donation to the Machinist Non-Partisan Political League in May 2019. The donation is a yearly event. However, there was not a union meeting held in May 2019 or June 2019. A review of the entire 2019 year of minutes do not contain any

reference to this issue. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Lodge T-6060 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violation

#### 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. Lodge T-6060 amended its constitution and bylaws in 2016, but did not file a copy with its LM report for that year.

Lodge T-6060 has now filed a copy of its constitution and bylaws.

### Other Issue

#### Expense Policy

As I discussed during the exit interview you, President David Shearrer, and Trustee Clinton Reeves, the audit reviewed that T-Lodge 6060 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Lodge T-6060 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. David Shearrer, President