



Sent via email to [REDACTED] & [REDACTED]

February 3, 2021

Mr. Casey Dalsbo, President
Locomotive Engineers, IBT, Division 174
[REDACTED]
Stevens Point, WI 54482

Case Number: 320-6018342 [REDACTED]
LM Number: 540807

Dear Mr. Dalsbo:

This office has recently completed an audit of Locomotive Engineers Division 174 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 Secretary/Treasurer Darrel Tolzman on February 1, 2021, 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 Violation

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 174's 2019 records revealed the following recordkeeping violation:

Lost Wages

Division 174 did not retain adequate documentation for lost wage reimbursement payments to Local Chairman Gary Dalsbo and Vice Local Chairmen Adam Raykowski and Brady Gillies totaling at least \$5,038 during the audit year. 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 audit found that Division 174 retained vouchers for most lost wage reimbursements, but in some instances the vouchers were not sufficient because Mr. Dalsbo, Mr. Raykowski, and Mr. Gillies did not always identify the actual date the lost wages were incurred, the number of hours lost on each date, or adequately describe the union business conducted.

Following the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Division 174 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.

Based on your assurance that Division 174 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. Division 174 amended its bylaws (a.k.a., standing rules) in 2019, but did not file a copy with its LM report for that year. Division 174 has now filed a copy of its 2019 standing rules.

I want to extend my personal appreciation to Locomotive Engineers Division 174 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Darrel Tolzman, Secretary/Treasurer