

**U.S. Department of Labor**

Office of Labor-Management Standards  
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March 18, 2022

Marc Schneider, President  
Air Traffic Controllers AFL-CIO  
1850 S Sigsbee St  
Indianapolis, IN 46241

Case Number: 350-6022928( )  
LM Number: 519269

Dear Mr. Schneider:

This office has recently completed an audit of Air Traffic Controllers AFL-CIO 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 President Marc Schneider on March 21, 2022, 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 NATCA ZID's 2020 records revealed the following recordkeeping violations:

Disbursement Dates Improperly Recorded

Entries in NATCA ZID's disbursement record were sometimes improperly recorded. Union disbursement records must show the date of the check. The date of check is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record disbursements when it actually pays out money. Failure to record the date checks were actually written could result in the union reporting some disbursements for a different year than when it actually issued them.

Based on your assurance that NATCA ZID 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-3) filed by NATCA ZID for the fiscal year ended December 31, 2020, was deficient in the following areas:

#### Disbursements to Officers

##### NATCA ZID

did not properly report some allowances and other disbursements in the amounts reported Item 24 (All officers and Disbursements to Officers), Column E totaling approximately \$2,000.

The union must report most direct disbursement to NATCA ZID 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).

I am not requiring that NATCA ZID file an amended LM report for 2020 to correct deficient items, but NATCA ZID has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Air Traffic Controllers AFL-CIO 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 solid black rectangular box used to redact the signature of the investigator.

Investigator

cc: Rachel Gilmore, Treasurer