

**U.S. Department of Labor**

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October 20, 2008

Mr. Javier Marron, Financial Secretary-Treasurer  
Transportation Communications Union  
Lodge 6850  
1441 South 27th Street  
Kansas City, KS 66106

LM File Number 030-720  
Case Number: [REDACTED]

Dear Mr. Marron:

This office has recently completed an audit of TCU Lodge 6850 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 on October 15, 2008, 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 6850's 2005, 2006, and 2007 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Lodge 6850 did not retain adequate documentation for reimbursed expenses incurred by union officers for the past three years totaling at least \$1,063.53. For example, the financial secretary-treasurer attended a training seminar in 2005, but he did not turn in any original documents showing the cost of the airfare and hotel.

As previously 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. Lost Wages

Lodge 6850 did not retain adequate documentation for lost-wage reimbursement payments to union officers totaling at least \$1,006.71. 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 6850 did not retain lost-wage vouchers for all lost-time claims. For instance, in August 2005, there were \$598.89 worth of lost-time disbursements, but no vouchers were turned in by the officers. Also, in January 2007, there was a \$151.81 lost-time disbursement, but no voucher was retained by the lodge.

During the exit interview, I provided a sample of an expense voucher Lodge 6850 may use to satisfy this requirement. The sample identifies the type of information and documentation that the lodge must maintain for lost wages and other officer expenses.

3. Failure to Record Receipts

Lodge 6850 did not record in its receipts records some employer dues checkoff checks and other checks received by the lodge totaling at least \$12,989.53. For example, in 2007, the lodge failed to record \$6,000 worth of donations for the annual Christmas party in the lodge's cashbook. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received and the source of the money.

4. Receipt Dates not Recorded

Entries in Lodge 6850's cashbook reflect the date the union deposited money but not the date money was received. Union receipts records must show the date of receipt. The date of receipt 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 receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Lodge 6850 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 LM-3 filed by Lodge 6850 for fiscal year ending December 31, 2007 was deficient in the following area:

## Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Lodge 6850 must file an amended Form LM-3 for fiscal year ending December 31, 2007 to correct the deficient item discussed above. I provided you with a blank form and instructions and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than November 3, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to TCU Lodge 6850 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: James Pfenenger, President