

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 12, 2008

Mr. Dave Sheetz, Treasurer
United Transportation Union
Local 1200
P.O Box 9826
Truckee, CA 96162

LM File Number: 005-092
Case Number: [REDACTED]

Dear Mr. Sheetz:

This office has recently completed an audit of UTU Local 1200 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 September 10, 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 Local 1200's 2006 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Local 1200 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

2. Dues Rates

Section 3 of the UTU Local 1200 Bylaws requires that dues rates should be made a matter of record in the minutes of the local. However, the membership meeting minutes do not contain any reference to those issues that would substantiate the current dues rates of Local 1200 as reported in Item 23 of the LM-3.

Based on your assurance that Local 1200 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to UTU Local 1200 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,

Mr. Dave Sheetz
September 12, 2008
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Investigator

cc: L. Kirby, President