

U.S. Department of Labor

Employment Standards Administration
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March 26, 2009

Mr. Paul Krug, Financial Secretary-Treasurer
Transportation Communications Union, AFL-CIO
Lodge 6364
1709 Dana Street
Crofton, MD 21114-1408

LM File Number # 018-058
Case Number: [REDACTED]

Dear Mr. Krug:

This office has recently completed an audit of Transportation Communications Union (TCU) Lodge 6364 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 Recording Secretary Alfred Coleman and you on March 24, 2009, 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 6364's 2007 records revealed the following recordkeeping violations:

1. Lost Wages

Lodge 6364 did not retain adequate documentation for all lost wage reimbursement payments to union officers. 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 6364 retained lost wage vouchers with canceled checks and pay stubs attached. However, there was nothing in the union's records to identify the union business conducted. The lodge must maintain sufficient documentation for lost wages and other officer expenses.

2. Failure to Maintain Records

The audit revealed that Lodge 6364 did not retain a receipt from a Christmas Party and some ticket stubs and unused tickets from the Christmas Party. All union records must be retained.

Based on your assurance that Lodge 6364 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

1. Signing Checks

During the audit, you advised that only one officer is required to sign checks. However, your union's bylaws require that all checks be signed by the Financial

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Secretary-Treasurer and President or Chairman of Board Trustees. The two signature requirement is an effective internal control of union funds. OLMS recommends that Lodge 6364 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to TCU Lodge 6364 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,

[REDACTED]
Investigator

cc: Alfred Coleman, Recording Secretary