

**U.S. Department of Labor**

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December 3, 2009

Mr. Salvador Armijo, Secretary/Treasurer  
Transportation Union, Local 1280  
100 North Center Street, Room 406-4  
Casper, WY 82601

LM File Number: 022-285  
Case Number: [REDACTED]

Dear Mr. Armijo:

This office has recently completed an audit of Transportation Union, Local 1280 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 November 17, 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 Local 1280's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 1280 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$518. For example, the union purchased \$518 in food for the annual Christmas party but provided no expense receipts to support this expense.

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. Disposition of Property

Local 1280 gave away \$25 gift cards to 12 members at its Christmas party, but the local did not keep any record showing the disposition of those gift cards. The local also spent \$177 for a new hire graduation barbeque but failed to record the names of attendees at the event in any union record. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

The union must record in at least one record, the date and amount of property disposed of by gift, sale, or other means.

Based on your assurance that Local 1280 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

The audit disclosed violations 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 Local 1280 for fiscal year ending December 31, 2008, was deficient in the following areas:

1. 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. Local 1280 amended its constitution and bylaws in 1996, but did not file a copy with its LM report for that year.

Local 1280 has now filed a copy of its constitution and bylaws.

2. Failure to File

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. Local 1280 failed to file its Labor Organization Annual Report (Form LM-3) for fiscal year ending December 31, 2005.

Local 1280 has now filed a copy of its Form LM-3 report for fiscal year ending December 31, 2005.

I want to extend my personal appreciation to Transportation Union, Local 1280 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: Mr. Eric Prado, President

Letter/Mr. Salvador Armijo

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