

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Kansas City Resident Investigative Office
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February 4, 2009

Mr. Orville Jarrard, Secretary-Treasurer
Transport Workers AFL-CIO
Local 530
8800 NW 112th Street
Kansas City, MO 64135

LM File Number 542-388
Case Number: [REDACTED]

Dear Mr. Jarrard:

This office has recently completed an audit of Transport Workers Local 530 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 February 3, 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.

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-2 filed by Local 530 for fiscal year ending June 30, 2008, was deficient in the following areas:

1. Receipts and Disbursements

Local 530 improperly included dues check-off payments sent directly to their parent body in Item 36 (Dues and Agency Fees) of the LM-2 report. If a parent body receives dues check-off directly from an employer on behalf of the reporting organization, do not report in Item 36 the portion retained by that organization for per capita tax.

Local 530 improperly included disbursements for per capita tax in Item 56 of the LM-2 report for the portion of the dues check-off checks retained by Local 530's parent body. If a parent body receives dues check-off directly from an employer on behalf of the reporting organization, do not report in Item 56 the portion retained by that organization for per capita tax.

2. Disbursements to Officers

Local 530 did not include payments to officers totaling at least \$18,000 in Schedule 11 (All Officers and Disbursements to Officers). These payments represented checks issued directly to an officer to pay local stewards their monthly meeting expenses. It appears that the local erroneously reported these payments in Schedules 15 through 19. However, because these were direct disbursements to an officer, these payments should have been reported in Column F of Schedule 11 (Disbursements for Official Business).

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 530 file an amended LM report for 2008 to correct the deficient items, but Local 530 has agreed to properly report the deficient items on all future reports it files with OLMS.

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I want to extend my personal appreciation to Transport Workers Local 530 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: Gordon Clark, President