

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
St. Louis District Office  
1222 Spruce Street, Room 9.109E  
St. Louis, MO 63103  
(314) 539-2667 Fax: (314) 539-2626



September 29, 2009

Mr. William Smith, Financial Secretary  
Transportation Communications Union AFL-CIO  
Local Lodge 6078  
621 Dodson Lane  
De Soto, MO 63020

LM File Number 019-812  
Case Number: [REDACTED]

Dear Mr. Smith:

This office has recently completed an audit of TCU Local Lodge 6078 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 and Gary Hamm on September 18, 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 Lodge 6078's 2008 records revealed the following recordkeeping violation:

#### Meal Expenses

Local Lodge 6078 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, Bistro at the Square in the amount of \$40.04 on October 31, 2008. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local Lodge 6078 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Other Violation

#### Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local Lodge 6078's officers and employees were not bonded for the minimum amount required at the time of the audit. The officers and employees are currently bonded for \$12,500, but they must be bonded for at least \$12,558. Local Lodge 6078 should refigure the amount of bonding coverage required for fiscal year 2009 and obtain adequate bonding coverage for its officers and employees. OLMS will take no further enforcement action regarding this issue.

Mr. William Smith  
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I want to extend my personal appreciation to TCU Local Lodge 6078 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,

A solid black rectangular redaction box covering the signature of the investigator.

Investigator