

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
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March 25, 2009

Mr. Darrell Ramos, President
Transit Union AFL-CIO
Local 1119L



LM File Number 001-290
Case Number: [REDACTED]

Dear Mr. Ramos:

This office has recently completed an audit of Transit Union Local 1119L 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 Secretary-Treasurer Ed Wasko, Vice President Joe Holloway, and yourself on March 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 1119L's 2006 records revealed the following recordkeeping violations:

1. Failure to Maintain Adequate Documentation for Disbursements

Local 1119L did not retain adequate documentation all disbursements. For example, the local did not retain all invoices regarding the purchase of meeting rooms at the Quality Inn Meadowlands, and the American Legion totaling approximately \$826.13.

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. Lost Wages

Local 1119L did not always retain adequate documentation for lost wage reimbursement payments to you and Secretary- Treasurer Ed Wasko. 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 some vouchers for lost time were missing and failed to clearly identify the date, hours and nature of the union work performed for which reimbursement was claimed.

Enclosed with this letter, is a sample of an expense voucher Local 1119L may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Failure to Maintain Meeting Minutes

Although the union did not provide meeting minutes for fiscal year ending December 31, 2006, during the exit interview, you said that the union maintains meeting minutes.

It is recommended that the union ensures that there is a full understanding, in the form of membership or executive board authorizations recorded in meeting minutes, about the salary level, allowances, and expenses (if any) to which the union's officers are entitled. For example, during the exit interview, you stated that Secretary-Treasurer Ed Wasko and you receive a salary of \$224.80 per month, and that no allowances, except for mileage reimbursements are authorized. Please provide to this office a copy of meeting minutes detailing the authorization of monthly salaries per union officer and any expenses that may be authorized no later than April 30, 2009.

Based on your assurance that Local 1119L will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 1119L failed to file Labor Organization Annual Reports (Form LM-3) for fiscal years ending December 31, 2006 and December 31, 2007.

Labor organizations with total annual receipts of less than \$250,000 and more than \$10,000 in receipts are required to file Form LM-3 with OLMS. Form LM-3 must be filed within 90 days after the end of your organization's fiscal year, therefore Local 1119L's annual reports for fiscal years ending December 31, 2006 and December 31, 2007 are long overdue.

I provided you with blank forms and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). Forms LM-3 for fiscal years ending December 31, 2006 and December 31, 2007 should be submitted to this office at the above address as soon as possible, but not later than April 30, 2009, as mutually agreed. Before filing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

Other Violation

The audit disclosed the following other violation:

Bonding

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. Local 1119L did not provide proof of a labor bond for this audit.

A proof of your bond, such a certificate from a surety company that holds a grant of authorization from the Secretary of the Treasury, must be provided to this office at the above address as soon as possible, but not later than April 30, 2009. The Department of the Treasury's listing of the approved surety companies may be found on the Internet at <http://www.fms.treas.gov/c570/c570.html>. Your national or international union may be able to assist you.

I want to extend my personal appreciation to Transit Union Local 1119L 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

Mr. Darrell Ramos
March 25, 2009
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cc: Secretary-Treasurer Ed Wasko
Vice President Joe Holloway