

U.S. Department of Labor

Office of Labor-Management Standards
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April 28, 2010

Ms. Jo Van Cleave, Financial Secretary Treasurer
Transportation Communication Union, AFL-CIO
Local Lodge 763
4312 North 174th Avenue
Omaha, NE 68116

LM File Number 017-289
Case Number: [REDACTED]

Dear Ms. Van Cleave:

This office has recently completed an audit of TCU Lodge 763 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 President Mike Lustgraaf and you on April 22, 2010, 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. The CAP disclosed the following recordkeeping and reporting violations:

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 TCU Lodge 763's records revealed the following recordkeeping violations:

Meeting Minutes

TCU Lodge 763 failed to retain a copy of the January 2009 meeting minutes. Meeting minutes are an important part of the lodge records. Meeting minutes confirm what business occurred and what disbursements were approved by the membership, as well as, documents the presentation of the monthly financial report. Labor organizations must retain a copy of minutes for all lodge meetings.

Supporting Documentation

TCU Lodge 763 routinely wrote checks to members for dues refunds and did not consistently indicate the purpose of the disbursement. TCU Lodge 763 failed to retain an original receipt for Check # [REDACTED] for \$308 for postage. Again, a record must be retained that indicates the nature of union business requiring the disbursement and all original receipts.

Lost Wages

TCU Lodge 763 did not retain adequate documentation for lost wage reimbursement payments to officers and members. 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 TCU Lodge 763 did retain documentation for work hours claimed for reimbursement. The documentation retained did not consistently indicate the hours and rate of pay calculated for the reimbursement and a more specific explanation as to the purpose of the union business conducted.

Based on your assurance that TCU Lodge 763 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 (LM-3) filed by TCU Lodge 763 for fiscal year ending December 31, 2009, was the following area:

Disbursements to Officers (LM-3)

TCU Lodge 763 reported incorrectly certain items in Item 24 (All Officers and Disbursements to Officers). The union must report most direct disbursements to TCU Lodge 763 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. TCU Lodge 763 reported direct disbursements to officers that were reimbursements for fixed assets and office supplies in Column E (Allowances). Purchases such as laptops, office supplies, conference room rental for a union meeting are all disbursements that should not be reported in Item 24. These disbursements should be reported in Item 48 (Office and Administrative Expense).

For clarification, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense). See the instructions for Item 24 for a complete discussion of certain direct disbursements to officers that do not have to be reported in Item 24.

I am not requiring that TCU Lodge 763 file an amended LM report for 2009 to correct the deficient items, but you have agreed to properly report the deficient items on all future reports filed with OLMS.

I want to extend my personal appreciation to TCU Lodge 763 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: Mike Lustgraaf, President