

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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March 31, 2010

Ms. Cynthia Beretta, Financial Secretary-Treasurer
Transportation Communication Union, AFL-CIO
District 724
7725 Las Palmas Way
Jacksonville, FL 32256

LM File Number 538-092

Case Number: [REDACTED]

Dear Ms. Beretta:

This office has recently completed an audit of TCU District 724 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 March 31, 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 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. District 724 has never filed a copy of their bylaws with its LM reports.

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 District 724's 2008 records revealed the following recordkeeping violations:

District 724 did not retain adequate documentation for lost wage reimbursement payments to union officers in seven instances. 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 District 724 made 3 lost time payments to union officers without any corresponding lost time voucher. The audit also found 4 instances in which lost time payments were made despite the lost time voucher listing the date and time that the lost time was incurred. During the exit interview, I identified the type of information and documentation that the local must maintain for lost wages and other officer expenses.

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 District 724's officers and employees were not bonded for the minimum amount required at the time of the audit. OLMS will pursue proof of adequate bonding coverage under case number [REDACTED].

I want to extend my personal appreciation to TCU District 724 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,

[REDACTED]

Investigator

cc: William Jacoben, President

Ms. Cynthia Beretta
March 31, 2010
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