



October 21, 2011

Mr. Jerry Elmore, Secretary Treasurer  
Locomotive Engineers, GCA  
7500 N. Palmer Ave  
Kansas City, MO 64158-1068

Case Number: [REDACTED]  
LM Number: 024795

Dear Mr. Elmore:

This office has recently completed an audit of Norfolk Southern, Wheeling and Lake Erie and Chicago and Ft. Wayne Eastern General Committee of Adjustment (GCA) 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 October 18, 2011, 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 Violation

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 GCA's 2010 records revealed the following recordkeeping violation:

#### Information not Recorded in Meeting Minutes

During the audit, former General Chairman Cole Davis advised OLMS that the majority of executive board members authorized the addition of an office to his property at 509 West Reed

Street in Moberly, MO. The total cost to GCA was \$5,960.02. The minutes of the 2009 executive board meeting do not contain any reference to this issue; moreover, GCA did not maintain any minutes of meetings in 2010. Minutes of all executive board meetings must report any disbursement authorizations made at those meetings.

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

#### 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. The Labor Organization Annual Report Form LM-2 filed by GCA for the fiscal year ended December 31, 2010, was deficient in that GCA did not include some payments to officers totaling \$20,400.00 in Schedule 11 (All Officers and Disbursements to Officers). It appears that GCA erroneously reported these payments in Schedules 18 (General Overhead).

The union must report in Column E of Schedule 11 (Allowances Disbursed) the total allowances made by direct and indirect disbursements to each officer on a daily, weekly, monthly, or other periodic basis.

I am not requiring that GCA file an amended LM report for 2010 to correct the deficient items, but GCA has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to GCA 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: Mr. Bob Linsey, General Chairman