



April 20, 2012

Ms. Jacqueline Casado, Secretary/Treasurer  
Transport Workers Local 226  
10-20 Banta Place, Ste. 118  
Hackensack, NJ 07601-5605

Case Number: [REDACTED]  
LM Number: 542731

Dear Ms. Casado:

This office has recently completed an audit of Transport Workers Local 226 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 April 19, 2012, 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 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 Forms LM-3 for the fiscal years ended December 31, 2009 and 2010 were deficient in that the amounts reported in Statement B, Item 38, "Dues", and Item 47, "Per Capita Tax", were inaccurate. The instructions for the LM-3 provide as follows: "Under Statement B, receipts must be recorded when money is actually received by the labor organization, and disbursements must be recorded when money is actually paid out by the labor organization."

In the case of Local 226, deducted dues are sent directly to the Transport Workers International, which takes out the required per capita tax and then forwards the remainder to the local. Your LM-3 reports have been recording gross dues (the amount received by the International) in Item 38 and gross per capita tax (the amount withheld by the International) in Item 47. You should be recording only the actual amount that you receive from the International in Item 38 and a zero amount (since you do not directly pay out any per capita tax) in Item 47.

It will now be necessary for Local 226 to file amended LM-3 reports for the fiscal years ended December 31, 2009 and 2010, correcting the errors in Items 38 and 47. In addition, you must file your LM-3 report for the fiscal year ended December 31, 2011, which is currently delinquent. Please send the reports to my attention at the above address. We will expect to receive them by May 21, 2012.

I want to extend my personal appreciation to Transport Workers Local 226 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

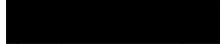
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officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Senior Investigator

cc: Mr. Jon Bradford, President, Local 226  
Mr. James C. Little, International President