



April 29, 2012

Mr. Ted Popivchak, System Treasurer
American Train Dispatchers
Norfolk Southern
133 Lee Street, #103
Carnegie, PA 15106-1930

Case Number: [REDACTED]
LM Number: 541807

Dear Mr. Popivchak:

This office has recently completed an audit of the American Train Dispatchers 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 30, 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.

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 the American Train Dispatcher's 2011 records revealed the following recordkeeping violations:

1. Meal Expenses

The American Train Dispatchers did not require officers to submit itemized receipts for meal expenses totaling at least \$250.17. The union must maintain itemized receipts

provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local union records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

:

2. Lost Wages

The American Train Dispatchers did not retain adequate documentation for lost wage reimbursement payments to union officers on at least twelve 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 although the American Train Dispatchers documented the total amount of hours lost for a certain time frame for an officer (such as a two-week period) the voucher did not identify how many hours were lost for each day that lost wages were claimed.

During the exit interview, I provided a sample of an expense voucher to the American Train Dispatchers that can be used 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.

Based on your assurance that the American Train Dispatchers 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 (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 and bylaws. The American Train Dispatchers was deficient in the following area:

Failure to File Bylaws

The American Train Dispatchers amended its constitution and bylaws in 2002 but did not file a copy with its LM report for that year. The American Train Dispatchers provided two copies of their amended bylaws during the compliance audit.

Other Violations

The audit disclosed the following other violation:

Inadequate Bonding

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 the American Train Dispatchers' officers were not bonded for the minimum amount required at the time of the audit. However, the American Train Dispatchers obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to American Train Dispatchers 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. Rory Broyles, General Chairman