



March 11, 2013

Mr. Allan Johnson, Secretary-Treasurer
United Transportation Union, Local 924
12836 Winfree Street
Chester, VA 23831-5036

Case Number: 450-12958 [REDACTED]
LM Number: 032791

Dear Mr. Johnson:

This office has recently completed an audit of United Transportation Union (UTU) Local 924 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 on March 7, 2013, 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.

Record Keeping 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 Local 924's 2011 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 924 did not retain adequate documentation for reimbursed expenses incurred by Secretary-Treasurer Allan Johnson totaling \$32.32. For example, during the audit period, Johnson was reimbursed for expenses twice for a total amount \$32.32. These two payments were included within two salary checks. Adequate back-up documentation, including expense vouchers detailing a complete description of the union business purpose and expense receipts, was not maintained. Therefore, the legitimacy of the expense could not be determined.

Adequate back-up documentation, including expense receipt and a detailed description of the union business purpose, was not maintained for an \$809.40 disbursement to Chesterfield Mini Storage.

2. Failure to Maintain Records

Local 924 did not always have sufficient documentation to show that the local president attended monthly membership meetings, which he is required to do in order to receive his monthly stipend. Future membership meeting minutes depicting any financial authorizations must be maintained.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Local 924 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 Form LM-3 filed by Local 924 for the fiscal year ended December 31, 2011, was deficient in two areas:

1. Item 57 of Form LM-3 requires the signatures of the president and secretary-treasurer. The LM-3 electronically filed by Local 924 for the fiscal year ending December 31, 2011 was electronically signed by Secretary-Treasurer Johnson as both president and secretary-treasurer. If for some reason the president is not available to sign the form, an explanation is required in item 56.

2. Item 23 of Form LM-3 requires the entry of dues and fees established by your organization before per capita tax. The LM-3 filed by Local 924 for the fiscal year ending December 31, 2011 instead reported only the portion of the total dues that was returned to the local by the international.

I am not requiring that Local 924 file an amended LM report for 2011 to correct the deficient items, but Local 924 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Local 924 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