



June 24, 2013

Mr. Stephen Hensley, Secretary-Treasurer  
Transportation Union IND  
Local 733  
3210 Pleasant Grove RD  
Texarkana, TX 75503-0968

Case Number: 420-14138( )  
LM Number: 003199

Dear Mr. Hensley:

This office has recently completed an audit of Transportation Union IND 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 June 20, 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.

#### 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 Local 733's 2012 records revealed the following recordkeeping violation:

Lack of Vacation Pay Authorization

Local 733 did not maintain a record to verify that the \$225 vacation pay to Secretary-Treasurer Stephen Hensley reported on line Item 24 (All Officer and Disbursements to Officers) of the LM-3 was authorized. The union must keep a record, such as meeting minutes, to show the entity or individual in the union with the authority to establish and/or approve vacation payments. Local 733 decided it will no longer disburse vacation pay to any of its officers.

Based on your assurance that Local 733 will no longer disburse vacation pay to any of its officers without supporting documentation, 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(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. Local 733 is governed by the Transportation International Union Constitution but has never filed a copy with its LM report.

Local 733 provided OLMS a copy of its Bylaws that was recently submitted to its International Union for approval.

I want to extend my personal appreciation to Transportation Union IND Local 733 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: Jonathon Hensley, President  
Casey E. Cutshall, Vice Local Chairman