



May 14, 2014

Mr. John Troxell, Jr. , President
Transit Union Local 1547
P.O. Box 1313
Brockton, MA 02303

Case Number: 110-1117672
LM Number: 513-422

Dear Mr. Troxell:

This office has recently completed an audit of Transit Union Local 1547 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 and Treasurer Massaroni on March 7, 2014, 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 Transit Union Local 1547's 2012 records revealed the following recordkeeping violations:

1. General Expenses and Meal Expenses

Local 1547 did not retain adequate documentation for meal/food expenses incurred by union officers and employees totaling at least \$873.67. While Local 1547 retained meal receipts

for each charge, the records of meal expenses did not include written explanations of union business conducted or the names and titles of the persons incurring the 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 restaurants where the officers or employees incurred meal expenses.

Local 1547 did not retain adequate documentation for expenses incurred by the local totalling at least \$1,150. For example, the local cashed a check for \$100 and used the money to buy two \$50 store gift cards to present to two union members. The local did not retain the store receipt noting the purchase of the gift cards.

As previously 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.

2. Lost Wages

Local 1547 did not retain adequate documentation for lost wage disbursements for officers and employees totaling at least \$99.82. 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 Local 1547 did have adequate lost time vouchers but did not document the specific union purpose for the lost wages on two vouchers.

3. Receipt Dates Not Recorded

Entries in Local 1547's receipts journal reflect the receipt of dues and other income but not the date money was received. The local retained bank deposit slips but those reflect the date the union deposited money and not the date money was received. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays money out. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Transit Union Local 1547 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 LM-3 filed by Transit Union Local 1547 for fiscal year ending December 31, 2012, was deficient in the following areas:

1. Lost Wages

Local 1547 did not properly report lost wages paid to officers and employees totalling at least \$10,666. It appears that the local reported lost wages in Item 24 E (Allowances and Other Disbursements) and Item 54 (Other Disbursements) instead of Item 24 D (Gross Salary) and Item 46 (To Employees).

2. Disbursements to Officers

Local 1547 did not include some disbursements to officers totaling at least \$3,861 in Item 24 E (Allowances and Other Disbursements). It appears that the local erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 1547 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

3. Cash Receipts

Local 1547 did not properly report cash receipts. The local reported all income as dues in Item 38 (Dues) but actually had income totaling \$1,589.09 that should have been reported in Item 43 (Other Receipts).

Transit Union Local 1547 must file an amended Form LM-3 for fiscal year ending December 31, 2012, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than

April 7, 2014. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Transit Union Local 1547 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: Diane Massaroni, Treasurer