



May 15, 2014

Mr. F. Neal Elders, President
Transportation Union Ind, Local 622

Case Number: 410-6000680
LM Number: 019752

Dear Mr. Elders:

This office has recently completed an audit of Transportation Union Ind Local 622 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 Secretary Treasurer Dennis Latty on May 14, 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 Local 622's 2013 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit President Neal Elders advised OLMS that the membership authorized a salary increase for the Secretary/Treasurer position to \$400.00 per month in 2008. Article IV, Section 3 of the bylaws requires that salaries for union offices shall be determined by

the membership and included in any amendments to the bylaws. Additionally, President Elders stated the membership approved the purchase of retirement watches in February 2013 in the amount of \$329.61. Article IX of the bylaws advises the local shall be authorized to pay for such items if the membership approves such expenses. The minutes of the meetings do not contain any reference to these issues. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Lost Wages

Local 622 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$3,494.51. 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 622 maintained lost time vouchers however; six of the vouchers did not identify the nature of the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 622 may use 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 Local 622 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 the following reporting violation:

Failure to File Bylaws

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 622 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year or any year since.

Local 622 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Transportation Union Ind Local 622 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. Dennis Latty, Secretary Treasurer