



August 11, 2017

Tito Martinez, Financial Secretary
TCU Lodge 6334
2565 Coveview Dr.
Toledo, OH 43611-1105

Case Number: 350-6010373 [REDACTED]
LM Number: 009688

Dear Tito Martinez:

This office has recently completed an audit of TCU Lodge 6334 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 July 28, 2017, 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 Lodge 6334's 2016 records revealed the following recordkeeping violations:

- 1) Receipts were not found in the record for expense reimbursements such as payments for office supplies and equipment. For example, you were reimbursed approximately \$940 for office supplies, and though a voucher was found in the union record, no receipts specifying the purchases were found.

- 2) Lost time vouchers were not fully completed as to verify the dates, times, and purposes of lost time payments.

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 Lodge 6334 for the fiscal year ended December 31, 2016, was deficient in the following areas:

- 1) All Officers and Disbursements to Officers (Schedule 24)

Lost time payments were not included in schedule 24 under column D. Also, deductions were not included in schedule 24, line 10. Reported expense payments (column E) to you were \$5,694, when actual payments to you were \$1,739.78. There were also multiple addition errors in column (F) of schedule 24.

- 2) Accuracy of Reported Cash Disbursements

Amounts and categories of Cash Disbursements (items 45-54) were not reflective of the union record. For example, a \$3,286 payment was reported in item 46 (Employees), but the union record did not reflect payments to employees. A reported total disbursement (item 55) was \$19,291, but actual total disbursements were \$18,787.

- 3) Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Lodge 6334's books after reconciliation to the bank statements. The instructions for item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Lodge 6344 must file an amended Form LM-3 for the fiscal year ended December 31, 2016, to correct the deficient items discussed above. I encourage Lodge 6344 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed no later than August 31, 2017 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

- 4) 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. A constitution or bylaws for Lodge 6334 has not been filed with the Department of Labor.

Lodge 6334 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to TCU Lodge 6334 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Denny Starker, President