



August 4, 2017

Mr. John Carnell, Financial Secretary
Transportation Communications Union/IAM, AFL-CIO
Lodge T-6724
1343 JE Blaydes Pkwy
Atoka, TN 38004

Case Number: 410-6011612 [REDACTED]
LM Number: 001-405

Dear Mr. Carnell:

This office has recently completed an audit of Transportation Communications Union/IAM , AFL-CIO Lodge T-6724 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 August 2, 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 T-6724's 2016 records revealed the following recordkeeping violations:

1. Meal Expenses

Lodge T-6724 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant

charges. For example, the local paid \$405.48 for meals at a restaurant and failed to document names of the attendees or the purpose of the meeting on the back of the receipt. 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 names of the restaurants where the officers or employees incurred meal expenses.

2. Lack of Salary Authorization

Lodge T-6724 did not maintain records to verify that the salaries reported Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

3. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership authorized at the 2016 membership meeting to give retiring members a prepaid Visa/MasterCard card from Walmart as a retirement gift. Lodge T-6724 maintained no minutes of that meeting. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Lodge T-6724 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Transportations Communications Union/IAM, AFL-CIO, Lodge T-6724 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