



March 9, 2017

Mr. John Dancer, Financial Secretary-Treasurer  
Transportation Communications Union/IAM AFL-CIO  
LG-T 6114  
1513 Circledale Rd.  
North Little Rock, AR 72116

Case Number: 420-6009035  
LM Number: 029953

Dear Mr. Dancer:

This office has recently completed an audit of Transportation Communications Union/IAM LG-T 6114 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 Machinists Grand Lodge Auditor Bryan Pinette on March 1, 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.

#### Recording 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 LG-T' 6114's 2016 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

During the CAP opening interview, John Dancer advised OLMS that the membership authorizes all officer expenses at its monthly membership meetings. However, on several occasions LG T-6114 disbursed relatively small payments to its officers ranging from \$5.00-\$58.00, where the minutes of the meetings do not contain any reference to the membership's approval. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Lost Wages

LG T-6114 did not retain adequate documentation for lost wage reimbursement payments to any of its union officers and employees. 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. During the CAP opening interview, John Dancer advised OLMS that the officers and/or employees requesting reimbursement for wages lost, submits written documentation or an email. Written requests and/or emails for reimbursement for wages lost are maintained by LG T-6114. LG T-6114 doesn't check lost time claims against employer records to confirm wages were actually lost. The OLMS audit found that LG T-6114 failed to maintain records of written requests or emails made by officers and employees that were reimbursed for wages lost. Minutes of membership meetings do not contain a reference to the membership's approval to compensate officers and employees for wages lost.

Enclosed is a copy of the OLMS compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher LG T-6114 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.

I want to extend my personal appreciation to Transportation Communications Union/IAM LG-T 6114 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: Bryan Pinette, Machinists Grand Lodge Auditor