



July 23, 2019

Mr. Edward P. Hogan, Treasurer
Transport Workers Union Local 510
3143 Mt. Vernon Ave
Alexandria, VA 22305

Case Number: 450-6014432
LM Number: 029-126

Dear Mr. Hogan:

This office has recently completed an audit of Transport Workers Union (TWU) Local 510 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 19, 2019, 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.

Record-Keeping 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 TWU Local 510's 2017 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 510 did not retain adequate documentation for credit card expenses incurred by you totaling at least \$4,088.24. For example, Hogan's credit card bills for January and October 2017 were included with the vouchers for payments made to those credit

cards, but the local did not maintain any other documentation to show what the credit card purchases were, and what the union purpose was for those purchases.

As 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. Meal Expenses

Local 510 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. 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.

3. Lost Wages

Local 510 did not retain adequate documentation for lost wage reimbursement payments to all officers for any lost time payment. 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 510 retained lost time vouchers for lost time payments, but the vouchers did not always include the hours lost or the union business conducted during those hours. The local did not maintain any records from the employer to substantiate officers' claims of lost time.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 510 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 510 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 (Form LM-3) filed by Local 510 for the fiscal year ended December 31, 2017, was deficient in that the local did not list payments made to your personal credit card next to his name in allowances and other disbursements on the LM-3.

The union must report most direct disbursements to Local 510 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).

I am not requiring that Local 510 file an amended LM report for 2017 to correct the deficient items, but Local 510 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

The audit disclosed the following other violation(s):

1. Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 510 does not have a clear policy regarding the \$50 cell phone allowance given to officers. OLMS recommends that unions adopt written guidelines concerning what expenses are approved for officers, including payments made to officers for cell phone use.

2. Lost Time Policy

The audit revealed that Local 510 pays officers lost time for time that was not actually lost from the employer, but the local has no written lost time policy to support those payments. During the exit interview with you, I recommended that Local 510 define a lost time policy for the union.

I want to extend my personal appreciation to TWU Local 510 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. Kevin Sullivan, Local 510 President