

**U.S. Department of Labor**

Office of Labor-Management Standards  
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December 18, 2019

Case Number: 310-6013041 [REDACTED]  
LM Number: 004011

Mr. Michael Rubel, Secretary Treasurer  
Transport Workers, AFL-CIO Local Union 512  
650 E. Devon Street, Suite 170  
Itasca, IL 60143

Dear Mr. Rubel:

This office has recently completed an audit of Transport Workers, AFL-CIO Local Union 512 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, Vice President Mike Szwed and Office Manager JoAnn Stein on December 18, 2018, 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.

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 512's records for fiscal year ending December 31, 2017, revealed the following recordkeeping violations:

Recordkeeping Violations

## 1. General Reimbursed and Credit Card Expenses

Local 512 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Secretary Treasurer Trevor Chalcraft, totaling at least \$497.98. For example on nine occasions between June 2017 and November 2017, Chalcraft did not retain receipts for purchases made using his Union issued credit card at the following merchants: Sherwin Williams, American Las Vegas, NV, Tony's Fine Foods, Lot A EPS, Chili's Bar ORD, LV Supper Shuttle, Caesar's Bacchanal Buffet LV, MacAfee Intel Security and Best Buy.

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 512 did not always require officers and employees to submit itemized receipts for meal expenses totaling at least \$1,522.23. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

The officers understand that Local 512 must maintain original itemized receipts provided by restaurants to officers and employees. In the future, itemized receipts will be maintained as part of the Local's records.

Based on your assurance that Local 512 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-2) filed by Local 512 for the fiscal year ended December 31, 2017, was deficient in the following area:

#### 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 with its LM report when it makes changes to its constitution and bylaws. Local 512 amended its constitution and bylaws effective March 1, 2014, but did not file a copy with its LM report for that year.

Local 512 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Transport Workers, AFL-CIO Local Union 512 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 large black rectangular redaction box covering the signature area.A smaller black rectangular redaction box covering the name of the investigator.

Investigator

cc: Mr. Juan Elvira, President