

U.S. Department of Labor

Employment Standards Administration
Office of Labor Management Standards
Kansas City Resident Investigator Office
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Kansas City, Missouri 64105-5143
Telephone: (816) 502-0290 / FAX: (816) 502-0288



January 31, 2005

Steve Volts, Secretary Treasurer
Transportation Union (UTU)
Local Union 1532

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Dear Mr. Volts:

This office has recently completed an audit of UTU Local Union 1532 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 on January 27, 2005, the following problems were disclosed. The matters listed below are not an exhaustive list since the CAP was limited in scope.

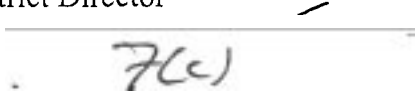
- A. The CAP disclosed that the local failed to submit copies of its current constitution and bylaws, in violation of LMRDA Section 201 (a). Section 201 (a) requires a labor organization, whenever its constitution and bylaws are changed (other than rates of dues and fees), to attach two dated copies of the new constitution and bylaws to the LM Report the labor organization submits to OLMS. Since copies of the new constitution and bylaws were submitted during the CAP, no further action is warranted.
- B. The CAP disclosed that the local filed a deficient LM-2 Report for fiscal year ending December 31, 2003, in violation of LMRDA Section 201 (b). Specifically: ① Officers Debaun, Egan, Lopez, and Schlosser are reported as employees in Schedule 10 and disbursements to them are reported in Item 57; ② mileage and other disbursements to officers are reported as allowances in Column E, Schedules 9 and 10; ③ per capita tax payments are reported in Item 59 (Item 58 is blank); ④ the savings account and CD balance are reported as Investments in Item 29; ⑤ interest and dividends earned from savings and the CD are not reported. Since you have agreed to correct these deficiencies on the LM-2 Report for fiscal year ending December 31, 2004, no further action is anticipated.
- C. The CAP disclosed that the local failed to maintain adequate records in violation of LMRDA Section 206. Section 206 requires that records be maintained by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and

clarified. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services. For fiscal year ending December 31, 2003, the union failed to maintain ① a detailed deposit record, and ② vouchers and backup documents for reimbursements for mileage claimed by officers. Lack of these records make it difficult to determine the accuracy of the income and expenses reported on the LM-2 Report. Since you have agreed to correct these deficiencies, no further action is anticipated.

I want to extend my appreciation for your cooperation and courtesy during the CAP. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

Dennis L. Eckert
District Director


By: Investigator