



February 11, 2013

Mr. Orhan Brian Enata, Treasurer
Amalgamated Transit Union Local 752
309 S. Vale St.
Bloomington, IL 61701

Case Number: 310-23509 [REDACTED]
LM Number: 005776

Dear Mr. Enata:

This office has recently completed an audit of Amalgamated Transit Union Local 752 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 January 22, 2013, 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 Local 752's 2011 records revealed the following recordkeeping violations:

1. Lost Wages

Local 752 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$6,626.00. 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 752 did not maintain any record, such as lost time vouchers, of union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 752 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.

2. General Reimbursed and Credit Card Expenses

Local 752 did not retain adequate documentation for reimbursed expenses and credit card expenses totaling at least \$1,500.00. For example, a credit card expense of \$90.70 for Office Depot that was paid by check number [REDACTED] and a disbursement of \$68.00 to Michael Ferrell for travel expenses on check number [REDACTED] did not have any supporting documentation.

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.

3. Meal Expenses

Local 752 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, an expense of \$210.00 at Dominics Trattoria in St. Louis, MO on June 7, 2011 payable with union check number [REDACTED] and an expense of \$95.00 at Fuji Japanese Steakhouse in Decatur, IL on August 22, 2011 payable with union check number [REDACTED] did not include a written explanation of union business conducted or names of persons incurring the charges on any union document. 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. This information can be hand-written directly on the receipt. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 752 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 752 for the fiscal year ended December 31, 2011, was deficient in the following areas:

1. Disbursements to Officers

Local 752 did not include some reimbursements to officers totaling at least \$3,200.00 in the amounts reported in column E of Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses) or Item 54 (Other Disbursements).

Local 752 also did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 752 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).

2. 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 and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 752 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year. However, Local 752 has now filed a copy of its constitution and bylaws with OLMS.

I am not requiring that Local 752 file an amended LM report for 2011 to correct the deficient items, but Local 752 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Amalgamated Transit Union Local 752 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 solid black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Michael Ferrell, President