

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Miami Resident Investigative Office
One East Broward Boulevard
Room 608
Ft. Lauderdale, FL 33301
(954)356-6850 Fax: (954)356-6852



January 31, 2008

Mr. Ricardo Flores, Secretary-Treasurer
Transport Workers Union
Local 561
5705 N.W. 38th Street
Miami, FL 33166

Re: Case Number: [REDACTED]

Dear Mr. Flores:

This office has recently completed an audit of Transport Workers Union Local 561 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 25, 2008, 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.

The CAP disclosed the following violations:

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 561's 2006 records revealed the following recordkeeping violations:

Officer Expenses and General Reimbursed Expenses

Local 561 records of meal and office supply expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the reimbursed expenses. For example, there were several restaurant receipts showing that meals were purchased for groups of individuals while on travel status; however, there was no explanation of the purpose of the meal expense and no identification of the persons incurring the restaurant charges. In addition, there were receipts from Sam's Club showing that office supplies were purchased by an officer, but the union did not always record the purpose of the expense (e.g. ink cartridge for union printer or union fax; DVD/CD external drive for union computers) and did not provide the names of the persons receiving the office supplies. Furthermore, there were a few instances where there were no original receipts to support large disbursements for food services at a local pizzeria. Union records including statements of expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant and office supply charges or other reimbursed expenses. Also, the records retained must identify the names of the restaurants and vendors where the officers or employees incurred meal and office supply expenses. These steps are necessary in order to verify that purchased items are being used for union business rather than personal use.

Based on your assurance that Local 561 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above recordkeeping 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 561 for fiscal year ending December 31, 2005 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 and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 561 amended its constitution and bylaws in February of 2005, but did not file a copy with its LM report for that year.

Local 561 has now filed a copy of its constitution and bylaws, and therefore, the reporting deficiency was corrected.

I want to extend my personal appreciation to Transport Workers Union Local 561 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: Todd Woodward, President