



June 27, 2013

Mr. Nickolas Klees, President
United Transportation Union Local 1929

Case Number: 550-11683 [REDACTED]
LM Number: 059119

Dear Mr. Klees:

This office has recently completed an audit of United Transportation Union Local 1929 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 and Secretary-Treasurer Mathew Dubs on June 25, 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 1929's 20YY records revealed the following recordkeeping violations:

1. Lost Wages

Local 1929 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$14,733.30. 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 1929 used lost time and expenses vouchers, which are submitted by officers and employees for reimbursement. However, the local could not locate all of the vouchers submitted during the audit period.

Based on your assurance that Local 1929 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

2. Lack of Lost Wages Authorization

Local 1929 stated during the opening interview the local's policy is that wages must be lost before lost time would be paid. However, the audit revealed that lost time was authorized to be paid even though wages were not lost. To ensure that lost wages are properly authorized and not capriciously paid the Local 1929 needs to update its lost time policy to accurately reflect the circumstances under which lost time is paid.

Local 1929 agreed to update its lost time policy and provide OLMS with a copy when completed. During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments* that contained information concerning policies and recordkeeping regarding lost time payments. In addition, the sample identifies the type of information and documentation that the local must maintain for lost wages.

I want to extend my personal appreciation to United Transportation Union Local 1929 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. Mathew Dubs, Secretary-Treasurer