

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 14, 2008

Mr. David McCormick, Treasurer
United Transportation Union
Local 300
163 Fries Mill Road
Turnersville, NJ 08012

LM File Number 031-303

Case Number: [REDACTED]

Dear Mr. McCormick:

This office has recently completed an audit of United Transportation Union Local 300 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 yourself and Edward Verdi on June 17, 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.

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 UTU LU 300's records revealed the following recordkeeping violations:

Supporting Documentation

The union did not maintain supporting documentation such as receipts, vouchers, bills and invoices for expenses such as office supplies, lodging, mileage, meals, etc.

As previously noted above, labor organizations must retain original receipts, bills, vouchers, and all other supporting documentation that would verify, explain or clarify, or to use in checking on the accuracy or completeness of reports required to be filed with the Secretary of Labor. 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.

Based on your assurance that UTU LU 300 will retain adequate records/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 300 for fiscal year ending December 31, 2006, was deficient in the following areas:

Disbursements to Officers:

Local 300 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.

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The union must report most direct disbursements to Local 300 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).

UTU Local 300 Labor Organization Annual Financial Report LM-3 for fiscal year-ending 2007 is also delinquent.

UTU Local 300 is required to file an amended LM-3 report for fiscal year ending December 31, 2006 to correct the deficient items. UTU Local 300 has agreed to file an amended LM-3 report for 2006 and an LM-3 report for 2007 as soon as possible but not later than June 30th, 2008.

UTU Local 300 has filed their amended LM-3 report for 2006 along with their LM-3 report for 2007 with OLMS. OLMS will take no further enforcement action at this time.

I want to extend my personal appreciation to United Transportation Union Local 300 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,



Supervisory Investigator

cc: Bernard Tighe, President