

# U.S. Department of Labor

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March 21, 2005

Mr. Ronald Clements  
Transportation Union Ind.  
State Legislative Board LU1

RE: 2

Dear Mr. Clements:

This office recently completed an audit of Transportation Union Ind. SLB LU1 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 as Amended (LMRDA). As discussed in the exit interview with you on March 9, 2005, the following problems were disclosed during the CAP. The matters 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:

## Reporting

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 323 for fiscal year ending December 31, 2003 was deficient in the following areas:

1. Fixed Assets. There is no basis for the reported fixed asset figures (\$4,000.00 reported as "Office Furniture and Equipment" and \$5,579.00 as "other" fixed assets). In addition, the lone L0001 fixed asset of record at the UTU – a \$1,828.00 Dell computer purchased in 2000 – was not in the reported figures.
2. The names of some officers who held office during the year were not reported in item 24 with the total amount of payments to or for them. The names of all persons who held office during the year must be reported in item 24 regardless of whether or not they received any payments from the union.

It is my understanding that Charles Blackburn, Director of Accounting, International UTU, will be preparing the LM-2 for 2004 and subsequent years. Blackburn has been briefed on the errors and has indicated that he will utilize the information learned during the CAP to assist him in the completion of 2004 intermediate body LM reports, including the LU0001 LM-2. I am not requiring that UTU SLB LU1 file an amended LM-3 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

*7cc*

Investigator

Cc: Charles Blackburn