

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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February 1, 2008

Mr. Cecil W. Schinke, President
Transport Workers Local 2005
3099 Sullivant Ave.
Columbus, Ohio 43204

LM File Number: 031-876

Case Number: [REDACTED]

Dear Mr. Schinke:

This office has recently completed an audit of 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 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 Local 2005's records for the fiscal year ending December 31, 2006 revealed the following recordkeeping violations:

1. Meeting Minutes

Local 2005 failed to maintain its meeting minutes for the audit year 2006. Per Local 2005's Constitution and Bylaws, the Executive Board must approve any lost time wages paid to officers. Authorization for these expenses could not be verified.

Based on your assurance that Local 2005 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 2005 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Savings Reported as Investments

Local 2005 improperly reported its savings account as investments in Statement A (Assets and Liabilities). For LM reporting purposes, a savings account is considered cash and should be reported in Item 25 - Cash.

2. Purchase of Assets

Local 2005 failed to report correctly the purchase of a computer and two (2) printers during the audit year 2006. Purchases of assets must be recorded in Item 29 - Fixed Assets on Statement A and in Item 52 - Purchase of Fixed Assets on Statement B. In addition, a small description of what was purchased can be entered in Item 56 - Additional Information.

3. Total Receipts

The audit of Local 2005's records for the fiscal year ending December 31, 2006 revealed that total cash receipts were over reported by approximately \$15,996 in Statement B of the LM-3 report. Item 38 - Dues should only include dues money that is received into the union's checking account, and not the amount of dues check-off paid to the International by the employer.

4. Total Disbursements

The audit of Local 2005's records for the fiscal year ending December 31, 2006 revealed that Item 47 - Per Capita Tax was over reported. Only per capita tax disbursed from the union's checking account should be recorded, and not the amount of tax paid to the International by check-off from the employer.

Local 2005 must file an amended Form LM-3 for fiscal year ending December 31, 2006, to correct the deficient items discussed above. At the exit interview, [REDACTED] provided you with various compliance assistance materials, which included an LM-3 instructions booklet, and advised you that the reporting forms are available on the OLMS website (www.olms.dol.gov).

I want to extend my personal appreciation to you 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,

Fred Vaudrin
District Director

cc: David L. Selvey, Financial Secretary