

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Grand Rapids Resident Investigative  
Office  
800 Monroe Avenue NW  
Room 211  
Grand Rapids, MI 49503  
(616)456-2335 Fax: (616)726-6311



November 17, 2009

Mr. Richard Roberts, Treasurer  
Transportation Union (UTU), AFL-CIO  
Local 1620  
405 Rynearson Street  
Buchanan MI 49107

LM File Number 020289  
Case Number: [REDACTED]

Dear Mr. Roberts:

This office has recently completed an audit of Transportation Union, Local 1620 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 May 22, 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 1620's 2007 records revealed the following recordkeeping violation:

Local 1620 did not maintain, or have available, a bank statement from the Chase bank account for one (1) of the months (November - 2007) during the audit period. Although this and other bank records are generally available on request from the bank, all bank records should be carefully retained and maintained for easy retrieval at the official place where the organization's records are maintained. As we discussed, you may want to keep a monthly folder for each month in which you can retain all pertinent records for that month.

Based on your assurance that Local 1620 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### 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 report must be filed within 90 days after the end of the labor organization's fiscal year (12-month reporting period). The law does not authorize OLMS to grant an extension of time for filing reports. The report, in the matter of United Transportation Union, Local 1620, is the Labor Organization Annual Report, Form LM-3, which was due within 90 days of the end of your fiscal year. Local 1620 filed an LM-3 report for its fiscal year ending December 31, 2007, that was deficient.

The amount of 'cash' reflected in item 25(a) for January 1, 2007, did not accurately reflect the actual amount of cash on deposit for the organization on that date. Historically, the 'ending cash' in item 25(b) on your LM-3 reports has not matched your 'beginning cash' in item 25(a) on the following year report. Item 25(a) should be the same figure from the previous year's item 25(b). If you have corrected an amount then the correction should be explained in the additional information schedule.

Local 1620 failed to include some reimbursements to officers in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in other disbursements.

Payments, including reimbursed expenses, for the Local Chairman, Steven Filbert, if when combined with payments he receives from any affiliation, total over \$10,000 must be explained by answering question 17 in the affirmative and providing additional information.

All direct disbursements to Local 1620 officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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).

Local 1620 has now filed an amended LM-3 for 2007 and it meets the standards of acceptability, consequently, no further action will be taken in this matter at this time. Local 1620 has agreed to file the LM report in a timely and accurate manner in the future.

I want to extend my personal appreciation to Transportation Union, Local 1620 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