



February 5, 2015

Mr. Jordan Gray, Treasurer
Transportation Union Local 185
431 Main Street
Rothville, MO 64676

Case Number: 510-6002900 [REDACTED]
LM Number: 020051

Dear Mr. Gray:

This office has recently completed an audit of Transportation Union Local 185 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 President Stephen Browning on December 11, 2014, 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 185's 2011-2013 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 185 did not retain adequate documentation for reimbursed expenses incurred by Treasurer Jordan Gray totaling at least \$900. For example, Gray received a travel reimbursement in 2012 for expenses resulting from travel to a union treasurer workshop

and the local did not have the receipt documentation for this trip. It was explained that these documents were lost when Gray's house burnt down in 2013 and he is aware that these are records that are required to be maintained in the future.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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.

2. Bank Statements

Bank statements for 2011 were not maintained by the local as required, Gray believes this is another record that was destroyed when he lost his home to a fire. He is aware this is a required record that must be maintained and the 2011 statements were obtained from the bank during the audit.

3. Failure to Record Receipts

Local 185 did not record in its receipts records some employer dues check off checks. For example, in 2013, no deposits were recorded in the union records until the end of the year; and in 2011, only one deposit was recorded at the beginning of the year even though direct deposits were made monthly by the International throughout the year. Because the International deposits all funds into the local's account the treasurer was not keeping his own union record of bank deposits and relied on bank statements for the information. It was discussed during the exit interview that the local needs to keep its own records of funds deposited into their account and you agree to do so in the future. To be able to verify, clarify, and explain money taken in; the union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 185 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-4) filed by Local 185 for the fiscal year ended December 31, 2012, was deficient in that:

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes

changes to its constitution or bylaws. Local 185 has its own local bylaws which had never been filed with OLMS.

Local 185 has now filed a copy of its bylaws and if they change in the future will file them with their annual LM report.

I want to extend my personal appreciation to Transportation Union Local 185 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,

A large black rectangular redaction box covering the signature area.A smaller black rectangular redaction box covering the name of the investigator.

Investigator

cc: Mr. Stephen Browning, President