

U.S. Department of Labor

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October 28,2008

Mr. John Poling, Secretary/Treasurer
Transportation Union Ind
Local 430
P.O. Box 129
Ft. Ashby, WV 26719

LM File Number 004-874
Case Number: [REDACTED]

Dear Mr. Poling:

This office has recently completed an audit of LU 430 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 Local Chairman Ronald Fertig on October 24, 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 439's 2007 records revealed the following recordkeeping violations:

1. General retention of records

It was found during the audit the deposit slips were not retained totaling \$542.22. Deposit slips and bank receipts showing the deposits need to be retained

Complete records were not kept. For example, the local needs to retain the complete telephone bill, not just the page showing how much was paid.

The former secretary/ treasurer reimbursement records for October 2007 were not kept, including telephone and internet bills.

2. Meeting Minutes not retained

During the audit, Mr. Fertig advised OLMS that the minutes were lost. The local must retain all meeting minutes. If the local does not hold a meeting for whatever reason, it must be mentioned in the minutes.

Based on your assurance that Local 430 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Signing Blank Checks

During the audit, it was found that three voided checks, numbers [redacted], [redacted], and [redacted], were presigned. Your union's bylaws require that all checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement.

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OLMS recommends that Local 430 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to LU 430 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,

[REDACTED]
Investigator

cc: President Tim Galica