

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
Indianapolis Resident Office  
46 East Ohio Street, Room 511  
Indianapolis, Indiana 46204  
Phone/Fax: (317) 614-0013  
www.olms.dol.gov



August 19, 2005

Mr. Billy D. Cox, Secretary-Treasurer  
Transportation Union, Ind.  
Local 6  
5525 W. Stonehaven Ln.  
New Palestine, IN 46163

Re: CAP Closing Letter

Case No

2

Dear Mr. Cox:

The U.S. Department of Labor, Office of Labor-Management Standards (OLMS) recently completed an audit of Transportation Union (UTU) Local 6 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 I explained during the exit interview with you on August 19, 2005, the CAP revealed the following findings. (Please note the matters below are not an exhaustive list of all possible problem areas since the CAP by its nature is limited in scope.)

- **CAP Finding:** *For fiscal year ending 12/31/04, Local 6 and its responsible officers filed a deficient LM-3 Labor Organization Annual Report with the Secretary of Labor, in violation of LMRDA Section 201(b). Specifically, Local 6's fiscal year 2004 LM-3 contained these errors:*
  - (1) Local 6 incorrectly reported in Item 22 the next officer election as November 2006 when it is actually scheduled for November 2005.
  - (2) Local 6 failed to report \$2,014 in expense payments to President Richard Smith in Column E of Item 24. Instead, the disbursements were incorrectly reported as payments to employees in Item 46. Since President Smith is an officer, all disbursements to him should be reported in Item 24.
  - (3) Local 6 failed to report a \$49 reimbursed expense payment to you in Column E of Item 24. Instead, that disbursement was incorrectly reported in item 51 as a gift or contribution because the transaction reimbursed you for flowers you had purchased on behalf of the union for a member. However, instructions for the LM-3 state all payments to officers, except reimbursement for purchases of fixed assets, must be reported in Item 24.

To correct the reporting violations, please file with OLMS an amended LM-3 for fiscal year 2004 no later than September 2, 2005. Mail the amended report to me at **U.S. Department of Labor, Office of Labor-Management Standards, 46 East Ohio Street, Room 511, Indianapolis, IN 46204.**

- **CAP Finding:** *Local 6 failed to maintain adequate records to verify, explain or clarify, or to use in checking on the accuracy or completeness of reports required to be filed with the Secretary of Labor, in violation of LMRDA Section 206. Specifically, Local 6 failed to maintain vendor receipts for three transactions on reimbursed expense claims. In addition, Local 6 failed to clearly identify which calls claimed on one of President Smith's expense reports had been made on behalf of the union. As a result of this violation, the Department of Labor could not confirm that all transactions had been for authorized union business. In response to this CAP finding, you have agreed that Local 6 will improve record keeping procedures. Therefore, the Department of Labor presently considers this matter resolved based on your assurances that the union will comply with record keeping requirements and officials will safeguard the organization's treasury.*

I want to extend my personal appreciation for your union's cooperation and courtesy during this compliance audit. If the Department of Labor can be of any assistance in the future, please do not hesitate to call me at (317) 614-0013.

Sincerely

FCCI

Investigator