



December 16, 2010

Mr. James Craver, President  
ATU Local 1625  
3491 Harlem Road  
Cheektowaga, NY 14225

Case Number: [REDACTED]  
LM Number: 533941

Dear Mr. Craver:

This office has recently completed an audit of ATU Local 1625 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, Treasurer Lynette Jones and Accountant Pat Capozzi on December 10, 2010, 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 Violation

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 1625's 2009 records revealed the following recordkeeping violation:

#### General Expenses

Local 1625 did not retain adequate documentation for expenses incurred by union officers and employees] totaling at least \$670. For example, in February 2009 Local 1625 spent \$76.60 at Office Depot and \$30.31 at Target for office supplies but had no receipts to support the expenses.

As previously 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.

Based on your assurance that Local 1625 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violation

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 1625 for fiscal year ending June 30, 2009, was deficient in the following areas:

#### Disbursements to Officers

Local 1625 did not include some reimbursements to officers totaling at least \$2,686 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense) or Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 1625 officers and some indirect disbursements made on behalf of its officers 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

I am not requiring that Local 1625 file an amended LM report for 2009 to correct the deficient items, but Local 1625 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

Your union has not filed the Labor Organization Annual Report Form LM-3 for fiscal year ending June 30, 2010 as required by the LMRDA. The union was late in filing their LM-3 report with OLMS for the last several years, for example the LM-3 for the fiscal year ending June 30, 2009 was not filed until July 26, 2010, over a year after the end of the fiscal year.

The law requires the President and Treasurer, or corresponding principal officers, of each labor organization to file an annual financial report with this agency within 90 days after the close of each reporting year. Therefore, the organization's report is long overdue.

The union's LM-3 report must be submitted to this agency at the above address by December 23, 2010. Before mailing, review the report thoroughly to be sure it is an original, complete, accurate, and signed properly in black ink with original signatures.

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

cc: Ms. Lynette Jones, Treasurer  
Mr. Ronald Andrzejewski, Vice President  
Mr. Patrick M. Capozzi, Certified Public Accountant