



July 1, 2013

Ms. Donna Auberzinski, Treasurer
Amalgamated Transit Union
Local Union 1743
404 Ruthwood Avenue
Pittsburgh, PA 15227

Case Number: 150-10394 [REDACTED]
LM Number: 542532

Dear Ms. Auberzinski:

This office has recently completed an audit of Amalgamated Transit Union 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 CPA J.J. Bosley on June 28, 2013, 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.

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-3) filed by Local Union 1743 for the fiscal year ended December 31, 2012 was deficient in following areas:

1. Disbursements to Officers

Local Union 1743 did not include some reimbursements to officers totaling at least \$11,649.66 in the amounts reported Item 24 (All Officers and Disbursements to Officers). For example, the audit found that although the union pays the costs associated with the use of the president's cell phone, the payments made to Verizon were not reported in Column E (Allowances and Other Disbursements) of Item 24 (All Officers and Disbursements to Officer). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses). In addition, the union reported erroneously reported officer mileage reimbursements in Column D (Gross Salary) instead of Column E (Allowances and Other Disbursements).

The union must report most direct disbursements to Local Union 1743 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).

2. Failure to Itemize Receipts

Local Union 1743 did not properly report receipts received during the fiscal year. For example, the union received \$254.33 as a tax refund. This money should have been reported in Item 43 (Other Receipts) when it appears the union erroneously reported it in Item 38 (Dues).

3. 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 Union 1743 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Local Union 1743 provided a copy of its constitution and bylaws during the compliance audit.

I am not requiring that Local Union 1743 file an amended LM report for 2012 to correct the deficient items, but Local Union 1743 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Amalgamated Transit Union 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

cc: Ms. Diane Stambaugh, President
Mr. J.J. Bosley, CPA