

U.S. Department of Labor

Office of Labor-Management Standards
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February 24, 2010

Mr. Dennis Schieving, Secretary-Treasurer
Locomotive Engineers, AFL-CIO, Division 222
1064 West 200 North
West Bountiful, Utah 84087-1917

LM File Number: 025-086
Case Number: [REDACTED]

Dear Mr. Schieving:

This office has recently completed an audit of Locomotive Engineers, (BLET), Division 222 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 on February 3, 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 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 Division 222's 2009 records revealed the following recordkeeping violations:

1. Receipt Dates not Recorded

Entries in Division 222's receipts journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership authorize union expenses. Meeting minutes were available for two meetings but the approval of union expenses was not documented in those minutes or in any other union document. Section 4. (d) of the BLET Local Division Rules states that three members constitutes a quorum to do business that may legally come before the division. Section 13. (c) of BLET division rules requires the secretary-treasurer to keep a true record of all division meetings, to keep division accounts in a form that he may provide a balance in the treasury for approval by the membership at each meeting, and to record financial details in the minute book. The minutes of Division 222 union meetings do not contain any reference to the approval of union expenditures. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. Lost Wages

Division 222 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,915. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that

Division 222 retained hand-written documentation of missed trips for two officers, but records of two missed trips were missing from union records.

Enclosed is a sample of an expense voucher Division 222 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Division 222 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 violations 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 Division 222 for fiscal year ending December 31, 2008, was deficient in the following area:

Failure to Itemize Disbursement or Receipt (LM-3)

Division 222 did not properly report some transactions on its LM-3 reports for fiscal years ending December 31, 2007 and December 31, 2008. The audit found that the union erroneously reported dues receipts in Item 38 of the LM-3 report which Division 222 did not receive. The General Committee of Adjustments (GCA) receives all dues from the union's employer and later disburses dues to the National body, to the GCA, and to each BLET division. The local division does not receive all dues from its employer. The union also erroneously reported in Item 47 - per capita dues disbursements, the per capita dues which the GCA body paid to the national BLET. Since the BLET GCA pays per capita dues to the BLET national division, the GCA must report this disbursement, not Division 222.

BLET Division 222 must file amended Form LM-3 reports for fiscal years ending December 31, 2007 and December 31, 2008, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than March 9, 2010. Before filing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

Letter/Mr. Dennis Schieving

February 24, 2010

Page 4 of 4

I want to extend my personal appreciation to Locomotive Engineers, Division 222 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

Enclosure

cc: Mr. Mark Bleckert, President