



September 25, 2012

Mr. Robert Manlove, Secretary-Treasurer
Maintenance of Way Employees, IBT, Lodge 941
[REDACTED]

Case Number: [REDACTED]
LM Number: 004994

Dear Mr. Manlove:

This office has recently completed an audit of Maintenance of Way Employees, IBT, Lodge 941 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 September 24, 2012, 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

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 Lodge 941's 2012 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Former Lodge 941 Secretary-Treasurer Jose Hernandez failed to record in union receipts records, one dues refund check for \$506.41 issued to the lodge. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

2. Missing Receipt Records

Former Lodge 941 Secretary-Treasurer Hernandez failed to maintain dues check-off reports issued to him by the BMW National Division, and he failed to provide the Certificate of Deposit statements for the union's CD account. Union receipts records must include an adequate identification of all money the union receives.

3. Lack of Salary Authorization

Former Lodge 941 Secretary-Treasurer Hernandez did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. Mr. Hernandez failed to provide membership meeting minutes for the last five years while he was secretary-treasurer. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Lodge 941 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Maintenance of Way Employees, IBT, Lodge 941 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: Mr. Edward Martinez, President