

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
1222 Spruce Street, Room 9.109E
St. Louis, MO 63103
(314) 539-2667 Fax: (314) 539-2626



June 22, 2009

Mr. Jason Hayden, Secretary-Treasurer
Transportation Union Local 1405
42 Steeplechase Drive
St. Peters, MO 63376

LM File Number 011-722

Case Number: [REDACTED]

Dear Mr. Hayden:

This office has recently completed an audit of UTU Local 1405 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 June 17, 2009, 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 Local 1405's 2008 records revealed the following recordkeeping violations:

1. Lack of Adequate Documentation for Disbursements

Local 1405 did not retain adequate documentation for disbursements made from the local's account totaling at least \$1,150. For example, documentation was not retained for a disbursement of \$1,000 to Sam Grecco on September 23, 2008, and a disbursement of \$154.64 to BLE Local 444 on April 5, 2008.

As previously noted, 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.

2. Reimbursed Auto Expenses

Adequate documentation was not retained to support payments to Local Chairman Keith Murray totaling at least \$1,200 for business use of his personal vehicle. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Lost Wages

Local 1405 did not retain adequate documentation for lost wage reimbursement payments to Local Chairman Keith Murray totaling at least \$350. 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 documentation was not retained for two lost time payments to Murray in January

and February of 2008. Neither Murray nor President Wayne Tomaszewski could remember what union business was conducted by Murray to receive the lost time payments.

During the exit interview, I provided a sample of an expense voucher Local 1405 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.

4. Lack of Salary Authorization

Local 1405 did not maintain records to verify that the salaries reported in Item 24 (All Officers and Disbursements to Officers) of the LM-3 were the authorized amounts and therefore were correctly reported. 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.

5. Lack of Meeting Minutes

Membership meeting minutes were retained for only three of the twelve months of 2008. During the audit, you advised OLMS that membership must authorize all disbursements except per capita tax payments. Meeting minutes serve as a record of authorization for all disbursements and therefore must be retained by the local to verify disbursement figures reported on the LM-3 report.

Based on your assurance that Local 1405 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 1405 does not have a clear policy regarding cell phone reimbursement for Local Chairman Keith Murray's personal cell phone, which he also uses for union business. OLMS recommends that unions adopt written guidelines concerning such matters.

Mr. Jason Hayden
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I want to extend my personal appreciation to you 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: Wayne Tomaszewski, President