

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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New Orleans, Louisiana 70113
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 Check if by fax



May 24, 2005

Andrew Smith
Treasurer
Transportation Union Ind
LU 781
P. O. Box 6
Blanchard, LA 71009

Re: z

Dear Mr. Smith:

This office has recently completed an audit of UTU LU 781 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, as Amended (LMRDA). As discussed during the exit interview with David Heyman on October 20, 2004, the following problems were discovered 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.

The CAP disclosed form LM-3 was delinquent in all of the last five years. Your report should be received by OLMS no later than the 31st of March after the end of your fiscal year to avoid being delinquent. Section 201(b) of the LMRDA requires the union and its responsible officers to file required annual financial reports timely. As you have now filed the report for the period ending December 31, 2004, no additional enforcement action will be taken at this time. This is a formal notice that any future violation might be regarded as willful.

Form LM-3 for 2003 was deficient in that:

- Item 9 should have been answered "No." Your organization's records are not kept at its mailing address.
- Item 56 should have provided the address where your organization's records are kept.
- Item 24(E) All other disbursements to officers should be shown in this column and not elsewhere on the form as occurred for the treasurer who was paid a total of \$5,325.34 rather than \$4,800, a combination of salary as treasurer and as local chairman of adjustment.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if

necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services. The following record keeping deficiencies were revealed during the audit of Local 781's 2003 records: missing travel vouchers, canceled checks, and verification of lost time (members' payroll records for dates in whole or part claimed). It appears that failing to require this verification from lost time claimants resulted in some questionable payments to them when they worked a full day on the same day lost time was claimed or worked part of the day and into the next day.

The following members worked a partial or full work day on the same day lost time was claimed:

Heyman, D claimed \$167.01 for October 7, 2004.

The employer verifies that Heyman worked and was paid for 11 pm October 7, 2004 – 7 am October 8, 2004. One hour (11 – 12 pm) was not lost time on October 7, 2004.

Heyman, D claimed \$162.94 for June 23, 2003.

The employer verifies that Heyman worked and was paid for 11 pm June 23, 2003 – 7:15 am June 24, 2003. One hour (11 – 12 pm) was not lost time on October 7, 2004.

Thompson, D claimed \$156 for May 7, 2003.

The employer verifies that **worked and was paid for May 7, 2003 (3 pm – 11 pm)**. Eight hours (3 pm – 11 pm) was not lost time on May 7, 2003.

Wright, RE claimed \$236.92 for January 3, 2003.

The employer verifies that Wright worked and was paid for January 3, 2003 (7 am – 4:50 pm). Nine hours and 50 minutes (7 am – 4:50 pm) was not lost time on January 3, 2003.

Wright, RE claimed \$236.92 for January 4, 2003.

The employer verifies that Wright worked and was paid for January 4, 2003 (5 pm – 3:10 am). Seven hours (5 pm – 12 pm) was not lost time on January 4, 2003.

Wright, RE claimed \$215.94 for May 2, 2000.

The employer verifies that Wright worked and was paid for May 2, 2000 (9:45 am – 5:15 pm). Seven hours and thirty minutes (9:45 am – 5:15 pm) was not lost time on May 2, 2000.

Those members who did not lose time should not be paid for lost time from union funds and should refund any monies they were not due to Local 781.

As agreed, provided that Local 781 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation. The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 781's LM report.

You should be aware that Section 206 of the LMRDA provides for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for willful failure to maintain

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records. Section 209(c) of the LMRDA provides for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for willful destruction or falsification of records, and applies to any person (not just the individuals who are responsible for filing the union's LM report).

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Bigby's successors at whatever time you may leave office.

I want to thank you for their cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

FCC

Investigator

cc: President William Bigby