

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
Boston District Office  
JFK Building, Suite E-365  
Boston, MA 02203  
(617) 624-6690 / FAX: (617) 624-6606



May 20, 2005

Ross Kiely  
Business Agent/Financial-Secretary  
Amalgamated Transit Union Local 448  
Room 106, 640 Page Boulevard  
Springfield, MA 01104-3011

Re: **2**

Dear Mr. Kiely:

This office has recently completed an audit of Amalgamated Transit Union Local 448 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 President John Murphy on May 13, 2005, 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.

Record Keeping Violations

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.

Local 448 did not retain adequate documentation for its investments in ULICO, which were reported during the organizational interview. In addition, Local 448 failed to retain membership and executive board meeting minutes.

As agreed, provided that Local 448 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

The CAP also disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 448 for fiscal year ending December 31, 2003 was deficient in the following area:

Local 448 failed to report direct disbursements to Business Agent/Financial-Secretary Kiely in the amount of \$646.34, in Item 24, Column E next to Kiely's name. This amount comprised (1) reimbursements for Kiely's parking and meal expenses incurred while conducting union business, (2) reimbursement for the purchase of office supplies for the union, and (3) reimbursement for the purchase of food for the local's Valentine's Day party.

All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in Item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value. It includes reimbursements paid to officers for expenses originally incurred by officers during the course of conducting union business. An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) 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 Expenses).

I am not requiring that Local 448 file an amended LM-3 report for 2003 to correct the deficient item, but as agreed, your union will properly report the deficient item on all future reports filed with this agency.

Other Issues

Lastly, the CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when changes are made. Local 448 amended its constitution in 2001, but a copy of the constitution and bylaws was not filed with Local 448's LM-3 report for that year. Local 448 provided copies of the new constitution and bylaws during the course of the audit, and they have now been filed.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

7(c)

7(c)

Investigator