



September 2, 2005

Mr. James P. Cobb, Secretary-Treasurer
Transportation Union, Ind.
Local 1548
7407 Deerfield Dr.
Greenfield, IN 46140

Re: CAP Closing Letter

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Dear Mr. Cobb:

The U.S. Department of Labor, Office of Labor-Management Standards (OLMS) recently completed an audit of Transportation Union (UTU) Local 1548 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 I explained during the exit interview with you on September 2, 2005, the CAP revealed the following findings. (Please note the matters below are not an exhaustive list of all possible problem areas since the CAP by its nature is limited in scope.)

- **CAP Finding:** *For fiscal year ending 12/31/04, Local 1548 and its responsible officers filed a deficient LM-3 Labor Organization Annual Report with the Secretary of Labor, in violation of LMRDA Section 201(b). Specifically, Local 1548's fiscal year 2004 Form LM-3 contained these errors:*

- (1) Local 1548 failed to report a \$450 disbursement to you in Column E of Item 24. That disbursement had directly reimbursed you for paying regional meeting registration fees on behalf of the union with your personal credit card. Form LM-3 instructions require unions to disclose all payments to officers, other than those for fixed assets, in Item 24.
- (2) Local 1548 incorrectly reported a January 2005 check to Local Chairman Brian Connors for \$720.27 as a disbursement to employees in Item 46 on the FY04 Form LM-3. Statement B of the Form LM-3 is prepared on a cash basis. Therefore, you should only have disclosed in Item 46 disbursements that Local 1548 made during the reporting year, which was fiscal year 2004.
- (3) Local 1548 failed to report a \$1,000 outstanding loan to PCC at the beginning of the year in Items 18 and 25(A). The local also failed to report PCC outstanding insurance premiums at the beginning of the year in Item 30(A). Local 1548 should also explain the loan in Item 56, Additional Information.

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- (4) Local 1548 failed to report the outstanding insurance premiums owed by ~~FC~~ at the beginning of the year in Item 30(A) and an explanation about the waiving of payment in exchange for his work on a grievance in Item 56.

To correct the reporting violations, please file with OLMS an amended Form LM-3 for fiscal year 2004 no later than September 19, 2005. Mail the amended report to me at U.S. Department of Labor, Office of Labor-Management Standards, 46 East Ohio Street, Room 511, Indianapolis, IN 46204.

- * **CAP Finding:** *Local 1548 failed to maintain adequate records to verify, explain or clarify, or to use in checking on the accuracy or completeness of reports required to be filed with the Secretary of Labor, in violation of LMRDA Section 206. Specifically, Local 1548 failed to maintain the following:*

- (1) Records about lost time compensation sought by former Local Chairman ~~FC~~ and current Local Chairman Brian Connors that would provide information regarding the dates, hours, pay rates, and work performed for the union.
- (2) Records, such as lodging and transportation receipts, that would confirm Mr. Connors attended the 2004 regional meeting.
- (3) Records, such as a phone bill, that would support Mr. Connors July 2004 expense claim for phone charges.
- (4) Records about personal vehicle mileage claims from you and ~~FC~~ that would provide information concerning the dates, locations, and driving performed for the union.

During the exit interview, you agreed on behalf of Local 1548 that the union will maintain these records to better safeguard its financial integrity. So long as that agreement lasts, OLMS will consider this violation resolved.

I want to extend my personal appreciation for your union's cooperation and courtesy during this compliance audit. If the Department of Labor can be of any assistance in the future, please do not hesitate to call me at (317) 614-0013.

Sincerely

~~FC~~

Investigator