



August 31, 2005

Jacob Hoff, Secretary-Treasurer
United Transportation Union
Local 630
124 Lycan Road
Ashland Kentucky 41101

Re: 2

Dear Mr. Hoff:

This office has recently completed an audit of UTU Local 630 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 August 31, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping 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 audit disclosed that Local 630 failed to maintain certain records, in violation of LMRDA Section 206. Specifically, Local 630 failed to maintain meeting minutes for February through July and September through December of the FYE December 31, 2004. The local's records were also missing receipts for reimbursed expenses. The local was missing a \$10.50 postage receipt for reimbursement for 7002, 7001 paid on check 4, in the amount of \$764.85 which included lost time and some mileage reimbursement. The local was missing a \$10.87 office supplies receipt for you, paid on check 4, in the amount of \$97.47 which included mileage. There was also a missing receipt for a \$95.00 lantern reimbursement for you, paid on check 4, in the amount of \$178.49 which also included postage and mileage. The lost time documentation for 7001 was deficient in that it did not specify what union business he was conducting on the days he submitted for payment. You agreed to maintain better records and to institute a more detailed lost time voucher system. Due to your cooperation no further OLMS action is necessary at this time.

The CAP also disclosed violations of LMRDA section 201(a) because Local 630 failed to file a copy of its bylaws and constitution with OLMS. You provided me with the most recent bylaws and the UTU

Constitution, and promised you would meet this requirement when the local's bylaws are amended in the future. No further OLMS action is necessary at this time.

The CAP also disclosed that the salary payments to you were not in conformity with the bylaws, which you provided to me. At the March 2003 membership meeting your monthly salary was raised from \$200 to \$300 per month. The bylaws need to be amended to reflect this change, and you agreed to do so.

The bylaws also state that all lost time shall be voted on by the membership before payment is made to the officer. You explained that this provision is impractical because the members of Local 630 are so sparsely situated throughout Eastern Kentucky that you don't always meet and monthly meetings are held in different locations to accommodate all members making it difficult for you to attend all meetings. We discussed defining lost time to be in line with your past practice of paying officers for any union business performed. We further discussed amending the lost time provision to show that, in general, the membership has authorized the payment of lost time and that it is your duty to approve lost time and pay the officers if the submitted vouchers are properly filled out. I suggested that a lost time voucher system be put into place. The voucher should include the date, the date of the union business performed, the purpose for the union business, the number of hours lost or worked, and the officer's daily wage rate according to the bargaining agreement. This voucher can also be used for expense reimbursement and for mileage reimbursement.

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

Sincerely,

FCC

FCC

Investigator