

U.S. Department of Labor

Employment Standards Administration
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July 30, 2007

Mr. Arcadio Niebres, Recording-Financial Secretary
Railroad Signalmen AFL-CIO LLG 104
11229 Jacklin Terrace
Beaumont, CA 92223-7415

LM File Number: 053-629

Case Number: [REDACTED]

Dear Mr. Niebres:

This office has recently completed an audit of Railroad Signalmen AFL-CIO LLG 104 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 July 17, 2007, 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 104's 2006 records revealed the following recordkeeping violations:

1. There was no expense voucher for check # [REDACTED] and no supporting documents for Local Chairman Reynolds' convention expenses or his quarterly allowance. You noted that you had found the voucher for this check during the audit, however it was not provided to OLMS for review.
2. Local Lodge 104 did not retain adequate documentation for lost wage reimbursement payments to [REDACTED] totaling at least \$1,060.80 for [REDACTED] lost time in July 2006. 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 Local 104 did have an expense voucher for [REDACTED] wages, however the voucher was not sufficiently detailed to show that the hours lost was for attending a union convention. During the exit interview, I provided a sample of an expense voucher Local 104 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. It was determined that Union Pacific paid [REDACTED] 41 ½ hours including 24 hours of his personal vacation and 17 ½ hours of mandatory computer training time, completed by [REDACTED] on his own time, for the week of July 9, 2006. This was the same week he attended the union convention in Las Vegas, NV and was paid 40 hours by the union. Based on review of the constitution and bylaws of Local Lodge 104 and interviews with LLG 104 officers, it appears that there is no clear policy concerning payment for lost time when the officer takes accrued vacation to attend the convention. OLMS recommends that unions adopt written guidelines concerning such matters.

Based on your assurance that Local 104 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Railroad Signalmen AFL-CIO LLG 104 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,

[REDACTED]

Investigator

cc: Mr. Ray McDuffee, President