



## Transportation Division

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JOHN PREVISICH  
President

October 13, 2017

Mr. Jerome C. Johnson  
Vice General Chairperson (GCA-610),  
President, Local Chairperson (LCA-610C), Local 60  
644 W 7th Street  
Plainfield NJ 07060-2110

Dear Sir and Brother:

This responds to your e-mailed letters, including one dated August 6, 2017, advising that Local 60's special-assessment initiative failed at the Local's meeting in August 2017, as well as another dated October 10, 2017, inquiring if the SMART Transportation Division (TD) intends to file a bond claim related to Local 60's operations, and why.

Be advised SMART TD's recently completed audit revealed that, for the period of January 2015 to July 2017, Local 60 owes its members refunds totaling \$94,761.00. This amount represents the over-collection of dues and insurance premiums and is a direct result of the Local Treasurer's failure to keep monthly member record balances

For the same period, the audit shows certain members owe Local 60 a total of \$42,806.00. This amount represents the under-collection of dues and insurance premiums and again is a direct result of the above. (Some of this may prove difficult to collect at this point in time.)

Further, the audit shows the annual CT-1 tax form for 2015 needs to be corrected, and an amended form needs to be filed. As a result of errors on the CT-1, Local 60 owes penalties and interest of \$2,112.62, to the Internal Revenue Service (IRS), as of October 9, 2017.

The audit also shows:

- amended federal tax filings of Form 941 are required for the third quarter of 2015, the second and fourth quarters of 2016, and the first quarter of 2017;
- amended New Jersey State tax filings are required for every quarter in 2015 and every quarter in 2016, and
- amended Pennsylvania State tax filings are required for the first, second and third quarters of 2015, and the first, second and fourth quarter of 2016.

As a result of the above findings, be advised the SMART TD will file a bond claim. Such claims are supportable under Local 60's current coverage, but are limited to a maximum payment of \$75,000.00.

You are further reminded Local 60 continues to owe the billing for the December 2016 dues, totaling \$99,113.80.

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As indicated in my letter to you dated August 4, 2017, this office was willing to suspend an automatic deduction from the Local's income to service its debt if the membership adopted a special assessment to address the matter. Since the members of Local 60 did not adopt the special assessment, this office will begin withholding \$2,500.00 each month from the Local's surplus, as first indicated to you by letter from this office dated April 10, 2017, effective with the December 2017 billing.

Further, as indicated to you by a member of my staff, it should be understood the Great American Insurance company's bond coverage is unavailable for officers involved in prior claims. Should it develop that further claims are necessary as a result of the current Treasurer's future performance, Great American will reject such claims, essentially leaving Local 60 with no bond coverage.

I trust the above addresses your inquiry and helps put Local 60 on the path to regaining financial independence.

Fraternally yours,



John Previsich  
President - Transportation Division

cc: J. E. Lesniewski, Vice President - Transportation Division  
D. K. Turner, Vice President - Transportation Division  
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