



May 28, 2010

Mr. Franklin Myers, Secretary-Treasurer
Teamsters Joint Council 55
2120 Bladensburg Rd. NE
Room 102
Washington, DC 20018

Case Number: [REDACTED]
LM Number: 052508

Dear Mr. Meyers:

This office has recently completed an audit of Teamsters Joint Council 55 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 President Ferline Buie and you on May 24, 2010, 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 Joint Council 55's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Joint Council 55 did not retain adequate documentation for some reimbursed expenses paid to union officers and employees.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Failure to Maintain Adequate Records

Joint Council 55 did not retain records for some disbursements, including invoices from a law firm, an accounting firm, a catering company, and Verizon. In addition, Joint Council 55's records did not always include an explanation of the union business conducted or the names and titles of the persons participating in certain events. For example, Joint Council 55 hired a caterer for a union function. However, there was nothing in the union's records that indicated the date of the event, the union purpose, and the names of the people that were present at this event.

The union must retain all receipts and invoices. In addition, the union records must include documentation 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.

3. Lack of Salary Authorization

Joint Council 55 did not maintain records to verify that the salaries reported in Item 24 (All Officers and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Joint Council 55 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Joint Council 55 for fiscal year ending December 31, 2008, was deficient in that:

Failure to Report Some Receipts and Disbursements

Joint Council 55 did not report some receipts and some disbursements on its LM report. The audit revealed that a Council 55 officer mistakenly deposited some funds into the Council's account. These funds were later removed from the account. All money

received by the Council must be reported in Items 38 through 43 and all disbursements made by the Council must be reported in Items 45 through 54 of the LM-3 report.

I am not requiring that Joint Council 55 file an amended LM report for 2008 to correct the deficient items, but Joint Council 55 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Teamsters Joint Council 55 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,



Investigator

cc: Ms. Ferline Buie, President