

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
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March 13, 2007

Mr. Chris St. John, Secretary Treasurer
Teamsters
Local 2001
1170 Tiverton Drive
Mooresville, IN 46158

Re: Case Number: [REDACTED]

Dear Mr. St. John:

This office has recently completed an audit of Teamsters Local 2001 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 Investigator [REDACTED] discussed during the exit interview with you and Mackie Johnson on December 8, 2006, 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 5 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 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record.

The audit revealed that you failed to retain supporting documents for tax and insurance payments. Also, OLMS observed that you conducted a \$5 drawing during membership meetings, but did not keep records to support those payments. OLMS further observed weaknesses in the supporting documents for lost time payments. You used vouchers to document lost time payments. However, those documents failed to describe the purpose of the lost time taken, the number of hours worked, the date that lost time was incurred, and authorization for the lost time. Investigator [REDACTED] also identified four checks that were voided but not retained. You agreed that in the future you would take better care to maintain union records supporting union disbursements. Accordingly, no action is necessary at this time.

The audit also revealed that Local 2001 failed to consistently issue duplicate receipts during dues collections at the job site. As Investigator [REDACTED] discussed with you, union receipt records must adequately identify each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source. Your local used the monthly collection sheets to itemize receipt items. However, Investigator [REDACTED] found that you did not consistently itemize every receipt for every month and you failed to book all of the direct deposit dues. The review also showed that you failed to maintain all bank deposit slips to support deposit entries. You agreed that in the future you would keep better records for all monies received by Local 2001 and to maintain slips for all bank deposits. Therefore, no action will be taken at this time.

The CAP disclosed a violation of LMRDA Section 201(a) which requires that a union submit a copy of its revised constitution and bylaws with its LM report when constitution or bylaw changes are made. Local 2001 adopted its constitution and bylaws, but a copy was not filed with OLMS. This violation was resolved when you provided me with a copy of your constitution and bylaws.

Finally, Investigator [REDACTED] also identified certain weaknesses in your union's internal financial controls. [REDACTED] noted that that your meeting minutes lacked detail to support the authorization of pay raises and some disbursements. You agreed to better document this information in the meeting minutes. In addition, you agreed to raise the issue of officer salaries on an annual basis and to have the meeting minutes reflect the discussions and subsequent approval of officer salaries.

I want to extend my personal appreciation to Teamsters Local 2001 for the cooperation and courtesy extended to Investigator [REDACTED] during this compliance audit. I strongly recommend that

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you pass on this letter and compliance assistance materials provided to you to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Lesta A. Chandler
District Director

cc: President Mackie Johnson