

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
130 South Elmwood, Suite 510
Buffalo, NY 14202
(716) 842-2900 / FAX: (716) 842-2901



December 4, 2008

Roberta Dunker, President
Teamsters
Local Union 693
41 Howard Avenue
Binghamton, NY 13904

LM File Number: 024-316

Case Number: [REDACTED]

Dear Ms. Dunker:

This office has recently completed an audit of the Teamsters Local 693 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 and bookkeeper Barbara Dorunda on November 21, 2008 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 Violation

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 693's 2007 records revealed the following recordkeeping violation:

Credit Card Expenses

Local 693 did not retain adequate documentation for credit card expenses incurred by union officers and employees totaling at least \$11,000. For example, Local 693 union officers incurred \$2,694 in lodging charges but failed to retain receipts. They also incurred \$2,146 in meal charges but did not retain receipts. Additionally, the officers had \$955 in airfare charges without retaining receipts.

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.

Based on your assurance that Local 693 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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-2 filed by Local 693 for fiscal year ending December 31, 2007, was deficient in that:

Disbursements to Officers and Employees

Local 693 reported on Schedule 11 (All Officers and Disbursements to Officers) that all officers spent 100% of their time on Representational Activities. During the compliance audit, the officers advised OLMS that some time was spent on other activity areas. The estimated percentage of time spent by the officer within Schedules 15 through 19 is to be noted.

Furthermore Local 693 reported on Schedule 12 (Disbursements to Employees) that all employees spent 100% of their time on Union Administration duties. During the compliance audit, the employees advised OLMS that some time was spent on other activity areas. The estimated percentage of time spent by the employee within Schedules 15 through 19 is to be noted.

I am not requiring that Local 693 file an amended LM report for 2007 to correct the deficient items, but Local 693 has agreed to properly report the deficient items on its December 31, 2008 report.

Other Issue

Inventory of Fixed Assets

As discussed with you during course of the compliance audit and during the exit interview, it is recommended that the union maintain an inventory list of its assets. An inventory list will help you identify, account for, and determine the total value of your union's fixed assets. Upon completion of such a list I ask that you forward a copy to OLMS.

I want to extend my personal appreciation to Local 693, for their 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 be of any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Robert Firmstone, Treasurer
Thomas Puzio, Secretary
Jennifer Eckler, CPA, Chumsky and Collins
Barbara Dorunda, Bookkeeper