

**U.S. Department of Labor**

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August 7, 2008

Mr. Wayne Schultz, Secretary-Treasurer  
Teamsters Local 695  
1314 N. Stoughton Road  
Madison, WI 53714

LM File Number: 007-112  
Case Number: [REDACTED]

Dear Mr. Schultz:

This office has recently completed an audit of Teamsters Local 695 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, President David Brugger, Recording Secretary Sam Anderson, Office Manager Barb Becker, and Attorney Scott Soldon on August 4, 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 695's 2007 records revealed the following recordkeeping violations:

#### Meal Expenses

Local 695 did not retain adequate documentation for meals charged to the union credit card incurred by officers and employees totaling at least \$1,205.83. For example, meal expenses were incurred while officers and employees were attended conference and conventions. Officers and employees charged room service or meals at the hotel restaurants to their rooms; however, no additional documentation was retained. Hotel folios alone are not sufficient to fulfill the recordkeeping requirement.

In addition, Local 695 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$4,345.69. Itemized receipts provided by restaurants to officers and employees must be maintained. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

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

Based on your assurance that Local 695 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-2) filed by Local 695 for fiscal year ending December 31, 2007, was deficient in that:

#### Failure to File Bylaws

The audit 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 it makes changes to its constitution or bylaws. Local 695 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year. Local 695 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 695 file an amended LM report for 2007 to correct the deficient items, but Local 695 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 Local 695 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: Mr. David Brugger, President  
Mr. Sam Anderson, Recording Secretary  
Ms. Barbara Becker, Office Manager  
Mr. Scott Soldon, Esq.