

U.S. Department of Labor

Office of Labor-Management Standards
New York District Office
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November 24, 2010

Mr. Tom J. O'Donnell, Secretary-Treasurer
Teamsters
Theatrical Drivers Local 817
One Hollow Lane
Lake Success, NY 11042

Re: Case Number: [REDACTED]

Dear Mr. O'Donnell:

This office has recently completed an audit of Teamsters Local 817 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, Tom R O'Donnell and Tina Gusmano on November 23, 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.

The CAP disclosed the following violations

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 Local 817's 2009 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 817 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Tom R. O'Donnell totaling at least \$280. For example, President O'Donnell did not provide receipts for gas expenses and food items charged to the union's American Express card.

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. Inaccurate Recording Receipts as decrease in Cash Disbursement Journal

Local 817 inadvertently recorded in the cash disbursement journal the deposit of investment funds transferred to the union's general fund checking account totaling at least \$450,000. This action resulted in an incorrect decrease to monthly and annual total cash disbursements reflected in the union's Computerized Bookkeeping System, Cash Disbursement Journal, and General Ledger during the audit period. The union must correctly post/enter in its records all deposits, including fund transfers from investments, in the union's checking account during the audit year. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

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Based on your assurance that Local 817 will retain adequate documentation and accurately record receipts in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Teamsters Local 817 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: Tom R. O'Donnell