

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
1222 Spruce Street
Room 9 109E
St. Louis, MO 63103
(314)539-2667 Fax: (314)539-2626



March 5, 2009

Ms. Roszella Miller, Secretary-Treasurer
Teamsters
Local 347
509 W. Main Street
West Frankfort, IL 62896

LM File Number 014-298
Case Number: [REDACTED]

Dear Ms. Miller:

This office has recently completed an audit of Teamsters Local 347 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 on March 2, 2009, 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 Local 347's 2007 records revealed the following recordkeeping violations:

1. Failure to Maintain Records

The union did not maintain bank records necessary to verify the accuracy of the information reported in Statement A (Assets and Liabilities), Item 22 of the LM-2.

Local 347 held two certificates of deposit during 2007. One certificate was cashed out, and the funds were transferred to a second certificate on March 6, 2007. Local 347 did not maintain bank records for the first certificate to document the value at the beginning of 2007, interest earned, or value when cashed out on March 6, 2007.

2. Disposition of Property

Local 347 did not maintain an inventory of hats, t-shirts, flashlights, and portfolios it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

3. Information not Recorded in Meeting Minutes

Section 14(2) of Local 347's bylaws requires that officer salaries be authorized by the executive board and requires that changes in salaries, allowances, or expenses of officers be specifically set forth in the minutes of the executive board meeting at which such changes are approved. The December 2007 meeting minutes include approval for a 3.5 percent raise and a Christmas bonus; however, a dollar amount is not provided. A dollar amount is required to verify the information reported in Schedule 11 of the LM-2.

4. Lack of Salary Authorization

Local 347 did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 were the authorized amounts and therefore were correctly reported. Section 14(2) of Local 347's bylaws state that salary information must be reported in executive board meeting minutes.

Based on your assurance that Local 347 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 347's officers and employees are currently bonded for \$60,000, but they must be bonded for at least \$61,443. Local 347 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 1, 2009.

Ms. Roszella Miller
March 5, 2009
Page 4 of 4

I want to extend my personal appreciation to Local 347 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: President Terry Rawson