

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
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Boston, MA 02203
(617) 624-6690 / FAX: (617) 624-6606



June 6, 2005

Bernard Tyler, President
Teamsters Local 49

6

Re: 2

Dear Mr. Tyler:

This office has recently completed an audit of Teamsters Local 49 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, as Amended (LMRDA). As discussed during the exit interview with you and Maureen Davis on May 20, 2005, 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 a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-2) filed by Local 49 for fiscal year ending December 31, 2003 was deficient in the following areas:

1. Local 49 failed to include some reimbursements to officers and employees in the amounts reported in Schedule 9 (All Officers and Disbursements to Officers) and Schedule 10 (Disbursements to Employees). Direct disbursements to officers and employees for reimbursement of expenses incurred while conducting union business must be reported in Column F of Schedules 9 and 10 (Disbursements for Official Business). For example, when an officer is reimbursed for hotel and travel expenses, the amount of the reimbursement must be recorded in Column F next to his or her name. Indirect disbursements made to another party (such as a credit card company) for business expenses incurred by union personnel must also be reported in Column F of Schedules 9 and 10. However, indirect disbursements for business expenses incurred for transportation by a public carrier (such as an airline) and for temporary lodging expenses incurred while traveling on union business must be reported in Schedule 13 (Office and Administrative Expenses). Any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business must be reported in Column G of Schedules 9 and 10 (Other Disbursements). For example, any gifts given to a union officer or employee must be reported in Column G next to his or her name.
2. The local failed to report income received from the raffle at the monthly membership meeting in Schedule 14 (Other Receipts) and payments made to fund the union Christmas party in Schedule 15 (Other Disbursements). It has been noted that the union has already made arrangements so that it will no longer collect or maintain this fund.

I am not requiring that Local 49 file an amended LM-2 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 49's officers and employees had been bonded for \$40,000, but they must be bonded for at least \$44,000. The union has obtained adequate bonding coverage for its officers and employees. Local 49 provided proof of bonding coverage to this office and is now bonded for \$50,000.

I strongly recommend that you make sure that this letter and the compliance assistance materials that have been provided to you are passed on to your successor at whatever time you may leave office.

I want to thank you and Ms. Davis for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

FCC

FCC

Investigator

Enclosures