

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Los Angeles District Office
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September 28, 2005

Andrew Marshall, Secretary/Treasurer
Teamsters, AFL-CIO, Local 104
1450 S. 27th Ave.
Phoenix, AZ 85009

Re;

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Dear Mr. Marshall:

This Office has recently completed an audit of Teamsters Local 104 under the Compliance Audit Program (CAP) to determine compliance with provisions of the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA). As discussed during the exit interview with Office Manager Vicki Armstrong and you on August 19, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping deficiencies were revealed during the audit of Local 104's 2004 records:

The union failed to retain adequate documentation for computers and related peripherals purchased by the union. The date, amount, business purpose, and authorization of every expense must be recorded on at least one union record. Adequate documentation was not retained in that the reason for the purchases was not stated and there was no record that the computer purchases made during the audit year were authorized by the union. Such authorization, normally found in the union's minutes, was not recorded in the minute for the audit year.

As agreed, provided that Local 104 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-2), Item 13 for Fiscal Year Ending 12/31/2004 showed that the union disposed of assets that were physically in the union's possession and were still being used by the union. Assets that the union has not disposed off, and are physically kept by the union, must be carried on the union's inventory of assets, regardless of their economic value.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you and Ms Armstrong are passed on to your successors at whatever time you may leave office.

I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

FCC

Investigator