



June 23, 2015

Mr. George E. Harrigan, President  
Teamsters Joint Council 46  
2175 William Street  
Buffalo, NY 14206

Case Number: 110-6004203 ( )  
LM Number: 002184

Dear Mr. Harrigan:

This office has recently completed an audit of Teamsters Joint Council (JC) 46 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 and Office Manager Jennifer Baglio on June 10, 2015, 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.

#### 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-3 filed by JC 46 for the fiscal year ended December 31, 2014, was deficient in the following areas:

##### 1. Disbursements to Officers

Joint Council 46 did not include some reimbursements to officers totaling at least \$230 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report most direct disbursements to JC 46 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Failure to Report Receipts and Disbursements

Joint Council 46 failed to report all receipts collected during the period totaling at least \$175,000. The audit revealed the Joint Council collected funds from their local unions for per capita tax owed to the council and pension monies for deposit into the Teamsters Joint Council 46 Pension Fund. The Joint Council only reported on the Form LM-3 the portion of the amount collected which was owed to Joint Council 46.

Joint Council 46 should report the entire amount received on the Form LM-3. The amount of per capita tax should be reported in Item 39 (Per Capita Tax). Remaining pension monies should be reported as Other Receipts in Item 43. The Form LM-3 is for labor organizations with total annual receipts of less than \$250,000. Therefore verify the amounts collected, as the Joint Council may be required to file a Form LM-2.

Additionally, Joint Council 46 should report amounts received and subsequently remitted to the Teamsters Joint Council 46 pension fund as Cash Disbursements on the form. If required to file a Form LM-3, this amount should be reported in Item 50 (Benefits).

Joint Council 46 must file an amended form for the fiscal year ended December 31, 2014, to correct the deficient items discussed above. I encourage Joint Council 46 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov) if a Form LM-3 report is required. Reporting forms and instructions can also be downloaded from the website. The amended form should be filed electronically no later than July 31, 2015 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Teamsters Joint Council 46 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. Kevin C. Drysdale, Secretary/Treasurer  
Ms. Jennifer Baglio, Office Manager  
Mr. Timothy D. Hagen, Toski CPA