



March 17, 2011

Mr. Howard Dorsher, Secretary Treasurer
Teamsters, Local Union 267
434 South Link Lane
Fort Collins, CO 80524

Case Number: [REDACTED]
LM Number: 517774

Dear Mr. Dorsher:

This office has recently completed an audit of Teamsters, Local Union 267 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 secretary Pat Dilger on March 16, 2011, 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 267's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 267 did not retain adequate documentation for reimbursed expenses and credit card

expenses incurred by Howard Dorsher totaling at least \$554. For example, the union paid various credit card charges for a four month period during 2010, but no receipts were found for the charges.

As 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. Meal Expenses

Local 267 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a four month review of itemized expense receipts for meal charges totaling at least \$1,691 was missing the officer's names and/or a business purpose for the charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Lost Wages

Local 267 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees in all instances. The OLMS audit found that Local 267 only retained letters to the employer authorizing members' release from work for union business. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

During the exit interview, I provided a sample of an expense voucher Local 267 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

4. Disposition of Property

Local 267 did not maintain an inventory of hats, jackets, or gift cards, and other property it purchased, sold, or gave away. For example, the union bought jackets, hats, t-shirts, and restaurant gift cards during the audit period, but failed to keep a record of members who received these items. 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.

5. Information not Recorded in Meeting Minutes

During the audit, officers advised OLMS that the executive board and membership authorize and approve travel and miscellaneous expenses outside of normal recurring expenses such as rent, utilities, telephone, and officer and employee salaries. Some executive board minutes are insufficiently descriptive regarding the approval of travel and other miscellaneous expenses. Some meeting minutes state that an item was not approved, then disbursement records show that the items were purchased and subsequent minutes do not contain any reference to membership or executive board approval for the purchases. For example, the union voted not to buy t-shirts at the May 2010 executive board meeting, but the June 2010 minutes reflect that some t-shirts were bought, and minutes are missing the cost and number of items purchased.

Article XVIII of the Teamsters, Local 267 Constitution and Bylaws requires that most expenses be authorized by the union executive board. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 267 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 267 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union credit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Teamsters, Local Union 267 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. Timothy Caufield, President