



November 17, 2023

Mr. Frank Perkins, President  
Teamsters Local 657  
8214 Roughrider Drive  
San Antonio, TX 78239

Case Number: 420-6027293( )  
LM Number: 039382

Dear Mr. Perkins:

This office has recently completed an audit of Teamsters Local 657 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 Bookkeeper Cynthia Sifuentes on November 13, 2023, 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 657's 2022 records revealed the following recordkeeping violations:

#### 1. General Disbursements and Credit Card Expenses

Local 657 did not retain adequate documentation for payments totaling at least \$6,440.80 or itemized receipts for credit card meal expenses incurred by President Frank Perkins totaling at least \$16.54. For example, the local purchased drinks and a DJ for the

Christmas party, donated money to members undergoing financial hardship due to tornado damage and on-the-job injuries, but sufficient records to verify the legitimacy of these expenditures were not maintained.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements including itemized receipts provided by restaurants to officers and employees. 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 including itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

## 2. Lost Wages

Local 657 did not retain adequate documentation for lost wage reimbursement payments to Vice President Kelly Jenkins and local members totaling at least \$6,288.36. 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. The OLMS audit found that Local 657 retained vouchers to support lost wage payments; however, the individuals claiming reimbursement did not identify on these vouchers the specific union business conducted.

During the exit interview, we discussed a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 657 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.

## 3. Disposition of Property

Local 657 did not maintain an inventory of hats, jackets, and other property 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 (Other Assets) 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. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

## 4. Failure to Record Receipts

Local 657 did not record in its receipts records some interest earned on savings accounts and certificates of deposit totaling at least \$10,482.62. For example, the local did not include in its books the interest incurred on at least nine accounts. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

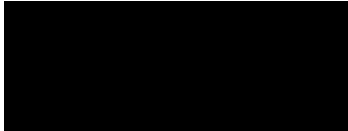
5. Receipt Dates not Recorded

Entries in Local 657's cash receipts journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-2. The LM-2 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Local 657 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Teamsters Local 657 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,



Senior Investigator

cc: Ms. Cynthia Sifuentes, Bookkeeper  
Ms. Mary Lou Chavez, Secretary/Treasurer