



May 9, 2016

Mr. Michael Stapleton, President  
Teamsters Local 385  
126 N Kirkman Road  
Orlando, FL 32811

Case Number: 410-6006206 [REDACTED]  
LM Number: 064705

Dear Mr. Stapleton:

This office has recently completed an audit of Teamsters Local 385 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, Secretary Treasurer Clay Jeffries, Vice President Walt Howard, and Trustee Nidia Grajales on May 6, 2016, 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

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 385's 2015 records revealed the following recordkeeping violations:

#### 1. Lost Time

Local 385 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$453.12. 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 385 maintained lost time vouchers however; two of the vouchers did not identify the nature of the union business conducted or date of the claim.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, which contained a sample of an expense voucher Local 385 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.

## 2. Meal Expenses

Local 385 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$44.00. The union must maintain itemized receipts provided by restaurants to officers and employees. These 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.

Local 385 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 meal at Vino's Wine Bar in Houston, TX, on January 19, 2015 in the amount of \$44.00 did not have the nature of union business discussed or the names of attendees. Union records of meal expenses must include written explanations of 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.

Based on your assurance that Local 385 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violation

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-2) filed by Local 385 for the fiscal year ended December 31, 2015, was deficient in the following area:

#### Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 385 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year.

Local 385 has now filed a copy of its constitution and bylaws.

Other Violation

The audit disclosed the following other violation:

**Inadequate Bonding**

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 385's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 385 obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Teamsters Local 385 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. Clay Jeffries, Secretary Treasurer