



May 22, 2017

Mr. David Winklmann, Bookkeeper
Teamsters, AFL-CIO, Local 249
4701 Butler Street
PO Box 40128
Pittsburgh, PA 15201-0128

Case Number: 140-6009965 [REDACTED]
LM Number: 028815

Dear Mr. Winklmann:

This office has recently completed an audit of Teamsters AFL-CIO, Local 249 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 Secretary Treasurer Gary Alward on May 18, 2017 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-2 filed by Local 249 for the fiscal year ended December 31, 2016 was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away t-shirts and jackets to members valued at more than \$28,000. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Disbursements to Officers and Employees

Local 249 did not properly include an indirect reimbursement to an officer totaling \$484.96 in Schedule 11 (All Officers). It appears that the local erroneously reported this payment in Schedule 11, Column F or in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 249 file an amended LM report for 2016 to correct the deficient items, but Local 249 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Expense Policy

As I discussed during the exit interview with you and Secretary Treasurer Alward, the audit revealed that Local 249 does not have a clear policy regarding the types of expenses that may be charged to the union credit card. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Teamsters AFL-CIO, Local 249 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. Michael Ceoffe, President