

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Denver District Office, Suite 2435
1999 Broadway
Denver, CO 80202-5712
(720) 264-3232 Fax:(720) 264-3230



December 13, 2007

Mr. Robert Hunt, Secretary-Treasurer
Graphic Communications Workers, Local 22n
International Brotherhood of Teamsters, AFL-CIO, Local 961
1572 South Everett Street
Lakewood, CO 80232

LM File Number: 004-910

Case Number: [REDACTED]

Dear Mr. Hunt:

This office has recently completed an audit of Graphic Communications, Local 22n, International Brotherhood of Teamsters, AFL-CIO (IBT), Local 961 (Local 22n/IBT Local 961) 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 Attorney [REDACTED] on December 6, 2007, 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.

The audit disclosed the following.

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 Graphic Communications, Local 22n/IBT Local 961 records for fiscal year ending December 31, 2006 revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 22n/IBT Local 961 did not retain adequate documentation for reimbursed expenses and credit card expenses for "Intuit" charges reimbursed to Hunt's personal Discover card. A number of Hunt's credit card statements were undated and showed duplicate dates for 18 union reimbursed monthly "Intuit" charges for the 12-month period.

Union reimbursed credit card charges contained no original hotel or air fare receipts showing attendees at the June 24, 2006, Graphic Communications Convention at the Riviera Hotel in Las Vegas, Nevada. Similarly, Hunt's union reimbursed personal Discover card charges contained no hotel receipts showing attendees at the August 10, 2006, 5th Annual North American Newspaper Conference held in San Francisco, California.

2. Failure to Record Receipts

Local 22n/IBT Local 961 failed to issue receipts to members who paid cash for Bronco tickets raffled at monthly membership meetings, and the union kept no record of cash received from ticket sales. 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.

3. Information not Recorded in Meeting Minutes

During the audit, membership meeting minutes reflect that bills are read and approved after funds are spent during the previous month at all membership and executive board meetings. Article III, Sec. 3 of the Constitution and By-Laws of the Denver Newspaper and Graphic Communications Union No. 22 requires the secretary-treasurer to obtain approval by the union before making payments for merchandize, service, or other items of expense. However, the minutes of meetings do not contain any reference to these issues. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are

required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Local 22n/IBT Local 961 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 Local 22n/IBT Local 961 for fiscal year ending December 31, 2006 was deficient in the following areas.

1. Disbursements to Officers (LM-3)

Local 22n/IBT Local 961 did not report the names of union electors or members who audited union records and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). Union also overstated several officers' salaries. It appears the union erroneously reported officer's travel and miscellaneous expenses in Item 24, when payments were made to third party vendors such as a credit card company.

The union must report most direct disbursements to Local 22n/IBT Local 961 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).

Local 22n/IBT Local 961 must file an amended Form LM-3 report for fiscal year ending December 31, 2006, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than January 21, 2008, which is an extended period to allow the union to obtain assistance to review union financial records and file the amended report.

Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

2. 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 22n/IBT Local 961 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year.

As agreed, Local 22n/IBT Local 961 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than January 21, 2008.

I want to extend my personal appreciation to Graphic Communications, Local 22n/IBT Local 961 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:  Attorney At Law
Ms. Cordelia Brimage, President