

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 12, 2007

Mr. Douglas Scott, Treasurer
Teamsters AFL-CIO
Local Lodge 159
5306 W. Dradie Street
Pasco, Washington 99301

LM File Number 002-081

Case Number: [REDACTED]

Dear Mr. Scott:

This office has recently completed an audit of Maintenance of Way Employees Local Lodge 159 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 on April 5, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be

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written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of LG 159's 2006 records revealed the following recordkeeping violations:

Inventory of Fixed Assets

LG 159 failed to maintain an inventory of its fixed assets which include a filing cabinet, typewriter, fax and digital recorder. Records must be maintained that account for all union property.

Receipts

LG 159 failed to keep a bank deposit slip for the amount of \$125.00. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that LG 159 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

I want to extend my personal appreciation to you for your 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,

[REDACTED]
[REDACTED]
[REDACTED]

Investigator

cc: President Darrell Niles