



May 5, 2020

Mr. Joseph Podolak, President
Teamsters Local 341
1100 Washington Avenue, Suite 306
Carnegie, PA 15106

Case Number: 140-6017790
LM Number: 031-857

Dear Mr. Podolak:

This office has recently completed an audit of Teamsters Local 341 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, Vice President/Business Agent Michael Chance, and Administrative Assistant Cassie Mamula on April 30, 2020, 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 Violation

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 341's 2019 records revealed the following recordkeeping violation:

Meal Expenses

Local 341 did not retain itemized receipts for meal expenses incurred on the union debit card, in which President Podolak is the authorized user, totaling at least \$781.47. 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.

Based on your assurance that Local 341 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 341 for the fiscal year ended December 31, 2019, was deficient in that:

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 341 amended its constitution and bylaws in January 2019, but did not file a copy with its LM report for that year.

Local 341 must file an amended Form LM-2 for the fiscal year ended December 31, 2019, to correct the deficient item discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-2 must be filed no later than May 15, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

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 341's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 341 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.

Other Issues

1. Failure to Follow Bylaws

As discussed with you during the exit interview, the audit revealed that Local 341 failed to follow their constitution and bylaws when officer and employee salary increases for 2019 were only approved by the executive board, instead of being approved by both the executive board and the membership as outlined in Article VI, Section 6.4 and Article XV, Section 15.3 of the Teamsters Local 341 Bylaws, dated January 2003 and subsequently dated January 2019.

2. Sick Leave Policy

As discussed during the exit interview with you, the audit revealed that Local 341 does not have a clear policy regarding sick leave usage by full-time officers and employees. OLMS recommends that unions adopt written guidelines concerning such matters. I provided a compliance tip sheet, *Authorization of Salary and Paid Leave for Union Officials*, which may be used to help the local draft a policy.

3. Lost Wages

As discussed during the exit interview, while no lost wages were incurred during the audit year, Local 341 officers stated that the union does not maintain any supporting documentation for lost wages. 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. Local 341 indicates "lost wages" for the check memorandum on lost wages reimbursement checks, however, this does not sufficiently record the required information.

I provided a compliance tip sheet, *Union Lost Time Payments*, which contains a sample of an expense voucher Local 341 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.

I want to extend my personal appreciation to Teamsters Local 341 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