

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 17, 2007

Ms. Ferline Buie, President
International Brotherhood of Teamsters (IBT)
Local 922
2120 Bladensburg Road, NE
Washington, DC 20018-1440

Re: Case Number: [REDACTED]

Dear Ms. Buie:

This office has recently completed an audit of IBT Local 922 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 Aaron Sawyer and you on September 13, 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.

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 Local 922's 2006 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Local 922 did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

2. Union Owned Vehicle

The union did not maintain records necessary to verify the accuracy of the information reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2.

Local 922 incurred expenses for a union automobile during 2006. However, Local 922 did not maintain records documenting business versus personal use of the union vehicle.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedules 11 and 12 of the LM-2, allocated to the officer or employee to whom each vehicle is assigned.

For each trip they take using a union owned or leased vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

3. General Reimbursed and Credit Card Expenses

Local 922 did not retain adequate documentation for reimbursed expenses and expenses incurred on its gasoline credit card. For example, [REDACTED]

[REDACTED] and you all attended the IBT Women's Conference in Phoenix, AZ during the audit year. Only [REDACTED] receipt was maintained. All hotel receipts must be kept in the union's financial records.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and secretary-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 922 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(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 922 amended its constitution and bylaws in 2004, but did not file a copy with its LM report for that year. Local 922 has now filed a copy of its constitution and bylaws.

Other Issues

1. Expense Policy

As I discussed during the exit interview with Mr. Sawyer and you, the audit revealed that Local 922 does not have a clear vacation policy for its officers and employee. The local advised that there is a maximum amount of leave that can be carried over to the next fiscal year. The audit also revealed that the officers are permitted to cash out unused leave, although this was never approved by the Executive Board or the membership. OLMS strongly recommends that the union adopt a detailed vacation policy. This policy should include what happens in the event vacation time goes unused, including whether and how much leave can be carried over to the next fiscal year and whether unused leave can be cashed out. The policy should then be approved by the membership and/or the Executive Board.

I want to extend my personal appreciation to IBT Local 922 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make

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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: Aaron Sawyer, Secretary-Treasurer