

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Buffalo District Office  
130 South Elmwood Avenue  
Room 510  
Buffalo, NY 14202-2465  
(716)842-2900 Fax: (716)842-2901



March 9, 2009

Kenneth Nelligan, Secretary-Treasurer  
Teamsters Local Union 449  
2175 William Street  
Buffalo, NY 14206

LM File Number: 002-199  
Case Number: [REDACTED]

Dear Mr. Nelligan :

This office has recently completed an audit of Teamsters Local Union 449 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, President George Harrigan, and Recording Secretary Jeffrey Brylski on March 6, 2009, 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 CAP disclosed the following violations:

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 449's fiscal year ended December 31, 2008 records revealed the following recordkeeping violation:

#### Disposition of Property

Local 449 did not maintain an inventory of union apparel and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 (Other Assets) of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

The union must record in at least one record the date and amount received from each sale of union hats, jackets and other items.

Based on your assurance that Local 449 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### 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 449 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Reporting of Supplies for Resale

Local 449 did correctly report the receipts from sales and the disbursement for the purchase of supplies for resale, however, the union did not report their inventory on hand at the end of the reporting year. The union must report the

value of any supplies for resale on hand at the beginning and end of the year in Item 28 and Schedule 7 (Other Assets).

I am not requiring that Local 449 file an amended LM report for 2007 to correct the deficient items, but Local 449 has agreed to properly report the deficient items on all future reports it files with OLMS.

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 449 revised its constitution and bylaws in 2007, but did not file a copy with its LM report for that year.

As agreed, Local 449 will electronically file a copy of its current constitution and bylaws as an attachment to its LM-2 report for 2008 by March 31, 2009.

I want to extend my personal appreciation to Teamsters Local 449 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: George Harrigan, President  
Michael Gerviss, Vice President  
Jeffrey Brylski, Recording Secretary