



April 12, 2017

Mr. James Mastrogiacono
Teamsters Local 259
40 Willard Street
Quincy, MA 02169

Case Number: 110-6004189
LM Number: 010-214

Dear Mr. Mastrogiacono:

This office has recently completed an audit of Teamsters Local 259 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 19, 2016, 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 Teamsters Local 259's 2013 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 259 did not retain adequate documentation for meal expenses incurred by union officers and employees totaling at least \$747.02 The local did retain meal receipts for the

meals totaling \$747.02 but they were not properly documented with the names of the participants. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the restaurants where the officers or employees incurred meal expenses.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local 259 did not retain adequate documentation for lost wage payments to union officers/members totaling at least \$2,567.20. 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. The OLMS audit found that while Local 259 did not use a lost wages and expense voucher, it did retain the check stub as their supporting record for lost wages claimed. The check stubs did note the date lost wages were incurred, a description of the union business conducted, and the amount paid but not the number of hours lost on each date or the applicable rate of pay.

During the exit interview, I provided a sample of an expense voucher Local 259 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 expenses.

3. Information not Recorded in Meeting Minutes

During the audit, Mr. Mastrogiacomo advised OLMS that the executive board authorized the outgoing treasurer to be paid for six weeks of vacation and ten days of holiday pay earned but not taken during the treasurer's first year in office. Mastrogiacomo explained that this was both the local's and the employer's benefits policy. Local 259 Bylaws, Section 15 (E) Benefits, requires benefits such as vacation pay and holiday pay be adopted by the executive board and specifically set forth in the minutes of the executive board meetings. Treasurer [REDACTED] served from January 2008 until December 2013. The OLMS audit determined that [REDACTED] was paid in December 2013 for the six weeks of vacation and ten days of holiday pay accrued but not taken in 2008. However, the minutes of the December 2013 executive board meeting contain no reference to any discussion or vote on approving the payout.

Based on your assurance that Local 259 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 LM-2 filed by Teamsters Local 259 for fiscal year ending December 31, 2013, was deficient in the following area:

1. Disbursements to Officers and Employees

Local 259 did not include lost time payments made to members totaling \$2,567.20 in Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column D of Schedules 11 and 12 (Gross Salary Disbursements) direct disbursements to officers and employees for lost wages incurred while conducting union business. In addition, the union must report in Column D of Schedules 11 and 12 indirect disbursements made to another party (such as a the employer) on behalf of union officers and members for time lost conducting union business. The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business.

I am not requiring that Local 259 file an amended LM report for 2013 to correct the deficient item, but Local 259 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Teamster Local 259 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: Michael Haley, president