



February 17, 2017

Mr. Edward L. Houston, President  
Teamsters Local 984

Case Number: 410-6009452  
LM Number: 037-480

Dear Mr. Houston:

This office has recently completed an audit of Teamsters Local 984 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 and Secretary-Treasurer Chiquita Calmese on January 23, 2017, 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 984's 2016 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 984 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$1,685.73. For example, the local did

not maintain receipts for credit card expenditures totaling at least \$1,373.33. Additionally, the local did not maintain documentation for reimbursed expenses totaling at least \$312.40.

As 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. Meal Expenses

Local 984 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, Local 984 disbursed \$431.97 in meal expenses, but union records did not reflect the union business conducted and the names of the meal attendees. 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 names of the restaurants where the officers or employees incurred meal expenses

3. Disposition of Property

Local 984 did not maintain an inventory of hats, jackets, 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 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.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

4. Lack of Salary Authorization

Local 984 did not maintain records to verify that the salaries were the authorized amount. 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.

5. Lack of Authorization for Gas Allowance

Local 984 did not maintain records to verify that the union officials are authorized to receive a weekly gas allowance. The union must keep a record, such as meeting minutes, to show that the payment of weekly gas allowances were authorized by the entity or individual in the union with the authority to establish such allowances.

Based on your assurance that Local 984 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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 984 amended its constitution and bylaws in 2003, but did not file a copy with its LM report for that year. Local 984 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Teamsters Local 984 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mrs. Chiquita N. Calmese, Secretary-Treasurer