U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
130 South Elmwood Avenue, Suite 510
Buffalo, New York 14201
(716) 842-2900/ FAX: (716) 842-2901

April 17, 2007

Mr. William McMahon, President
Electrical Workers, IBEW, AFL-CIO
Local 2199
3904 Seneca Street
Apt. D
West Seneca, New York 14224

Re: Case No. [redacted]

Dear Mr. McMahon:

This office has recently completed an audit of IBEW Local 2199 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 March 30, 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.

The CAP disclosed the following violations:

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 2199's 2006 records revealed the following recordkeeping violations:

- Union officers and employees failed to maintain adequate documentation for reimbursed expenses, for expenses charged to union credit cards, and for lodging expenses that were direct-paid by the

union. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded. Retention of adequate receipts to verify union expenditures was previously discussed with you during an audit in 2003 by our office.

- On one occasion, an error was made by union personnel who requested and was paid twice for work performed. Two separate vouchers were completed on different dates, submitted and paid. This was discussed with you during the closing interivew. You have since indicated that reimbursement was made to the union to correct the issue. Tracking of requested reimbursement for work performed by union members needs to be incorporated and practiced by officers of Local 2199.

- Local 2199 failed to record some employer dues check-off checks and some miscellenous receipts for a union social activity, i.e, a Miss Buffalo cruise and a refund from that activity in September 2006. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that Local 2199 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 2199's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to $100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can also result in a fine of up to $100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person, not just the individuals who are responsible for filing the union's LM report.

I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

[redacted]
Investigator

cc: Ms. Susan McCarthy