

U.S. Department of Labor

Employment Standards Administration
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September 18, 2007

Ms. Rita Sweeney, Business Manager
Electrical Workers Local 2313
176 King Street
Hanover, MA 02339-2467

LM File Number: 068-421

Case Number: [REDACTED]

Dear Ms. Sweeney:

This office has recently completed an audit of Electrical Workers Local 2313 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 September 17, 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 recordkeeping and reporting violations.

Recordkeeping 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. 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 amounts.

The audit of Local 2313's 2006 records revealed the following recordkeeping violations:

1. Officer and Employee Expenses

Union officers and employees failed to maintain adequate documentation for reimbursed expenses and for expenses charged to union credit cards.

While the union retained the monthly credit card statements, they did not have any credit card slips or receipts for the individual charges. There was not enough documentation to validate the nature or purpose of the union business requiring the expenses which included gas, meals, travel and office supplies and equipment.

2. Automobile Expenses

Union officers and employees who were assigned the union owned automobile failed to maintain a mileage log documenting the business use of the union vehicle.

In the case of union owned vehicles, logs are required to be maintained for each union vehicle documenting the date, number of miles driven, and business purpose of each use. The LM instructions include specific rules for the reporting of automobile expenses. Operating and maintenance costs for each union owned or leased vehicle must be reported in Item 24 of the LM-3, allocated to the officer or employee to whom each vehicle is assigned.

3. Lost Wages

Some vouchers submitted by union personnel for lost wages did not identify the union business conducted that required that lost wages be incurred nor state the applicable rate of pay for the hours lost.

Lost wage claims must 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.

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-3 filed by Local 2313 for fiscal year 12-31-2006 was deficient in the following areas:

Cash Receipts

Item 38 (Dues) and Item 43 (Other Receipts) were inaccurately reported. The audit revealed that union dues received for the audit year totaled \$191,653.41 and not the reported \$187,687. Other cash receipts received totaled \$3,488.79 and not the reported \$3,291. Cash receipts recorded in both the bank and union records totaled \$195,146 and not the reported \$191,082.

I am not requiring Local 2313 to file an amended Form LM-3 for fiscal year 12/31/06 to correct the deficient items, but as agreed, Local 2313 will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to Electrical Workers Local 2313 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,

Mark Letizi
District Director

cc: Ms. Carol Dugay, President