



November 13, 2020

Mr. Michael Coleman, Secretary-Treasurer
Utility Workers Union of America, AFL-CIO
1300 L Street, NW
Washington, DC 20005

Case Number: 140-6017740
LM Number: 010-237

Dear Mr. Coleman:

This office has recently completed an audit of Utility Workers Union of America, AFL-CIO, Local 350 under the Compliance Audit Program (CAP) to determine Local 350'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 November 9, 2020, 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 350's 2019 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 350 did not retain adequate documentation for reimbursed expenses incurred by former Treasurer Derek Brletich totaling at least \$2,000. For example, in March 2019, as authorized in the union membership meeting minutes, Brletich was reimbursed \$2,000 for the purchase of jackets and t-shirts for union members; however, no invoice or other supporting documentation were maintained by the union.

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

2. Meal Expenses

Local 350 did not require officers to submit itemized receipts for meal expenses totaling at least \$2,000. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 350's 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, former Treasurer Derek Brletich was reimbursed \$2,000 for a union dinner at Bisterra Steakhouse in December 2019, but the union maintained no record of the meal expense. 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.

Since conducting the audit Local 350 terminated. OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Utility Workers Union of America, AFL-CIO, and Local 350 for the cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Derrick Brletich, former treasurer, Local 350