

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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September 2, 2009

Mr. William Rose, President
Utility Workers AFL-CIO
Local 349
4652 Lewis Ave.
Toledo, OH 43612-2370

LM File Number 005-193
Case Number: [REDACTED]

Dear Mr. Rose:

This office has recently completed an audit of Utility Workers Local 349 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 Financial Secretary Don Vincent on August 17, 2009, 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.

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 Form LM-3 filed by Local 349 for fiscal year ending December 31, 2008 was deficient in the following areas:

1. Disbursements to Officers

Lost time payments totaling \$863 were omitted from the Treasurer Jason Vislay gross salary as reported in item 24D of the LM-3 report. For reporting purposes,

lost time payments are reported as gross salary. All lost time, including that which is reimbursed to the company in a single payment, must be reported under the individual officer's name in item 24.

Also, the amount reported for total disbursements to officers was the gross instead of the net amount. Employee payroll taxes must be deducted from item 24, line 10.

2. Disbursement Reporting

Rent payments, insurance premiums, and employer taxes need be reported under item 48 (Office and Administrative Expense), instead of under item 54 (Other Disbursements). \$43,000 was erroneously reported under item 50 (benefits) and item 49 (Professional Fees) were under-reported by \$34,333.

Local 349 must file an amended Form LM-3 for fiscal year ending December 31, 2008, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 30, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

3. 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 349 amended its bylaws in 1993, but did not file a copy with its LM report for that year.

Local 349 has now filed a copy of its constitution and bylaws.

Other Issues

During the audit, Treasurer Donald Vincent advised that it is Local 349's practice for him to sign all union checks and, in some cases, stamp the signature of the president on union checks. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 349 review these procedures to improve internal control of union funds.

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I want to extend my personal appreciation to Utility Workers Local 349 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: Don Vincent, Financial Secretary