

U.S. Department of Labor

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February 16, 2011

Ms. Doreen Arguin, Secretary-Treasurer
Electrical Workers UE IND, Local 204
P.O. Box 87
Taunton, MA 02780

LM File Number: 017-272

Case Number: [REDACTED]

Dear Ms. Arguin:

This office has recently completed an audit of Electrical Workers Local 204 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 exit interview with you on February 14, 2011, 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 Electrical Workers Local 204's 2009 records revealed the following recordkeeping violations:

1. General Expenses

Local 204 did not retain adequate documentation for rent and flower expenses incurred by the union totalling \$3,300. For example, the local paid \$275 a month to rent office space but did not retain any bills/receipts to validate the payments.

As previously 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. Lost Wages

Local 204 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees in at least two instances totaling \$634.72. The union must maintain records in support of lost wage claims that 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. The OLMS audit found that Local 204 retained lost wage vouchers but the vouchers did not note the number of hours lost or the hourly rate.

3. Receipt Dates Not Recorded

Entries in Local 204's financial secretary's book reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipts. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Local 204 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 204 for fiscal year ending December 31, 2009, was deficient in the following areas:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances on bank statements.

2. Cash Receipts

Local 204 erroneously reported \$1,200 in rent receipts in Item 38 (Dues) instead of Item 43 (Other Receipts). Local 204 reported \$61 in Item 41 (Interest & Dividends) but the audit revealed \$573 in interest/dividends during the audit year.

I am not requiring that Local 204 file an amended report for 2009 to correct the deficient items, but Local 204 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Electrical Workers Local 204 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 solid black rectangular redaction box covering the signature of the investigator.

Investigator