

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
801 Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222
(412) 395-6925 / FAX: (412) 395-5409



May 25, 2005

Patrick J. Rafferty, Business Agent
UE Local 506
3923 Main Street
Erie, PA 16511

Re: _____ 2

Dear Mr. Rafferty:

This office has recently completed an audit of UE Local 506 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, as Amended (LMRDA). As discussed during the exit interview with you on May 25, 2005, the following problems were discussed 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 a violation of Title II of the LMRDA. Section 206 requires that unions maintain sufficient documentation to verify information reported on the LM reports filed with the Secretary of Labor each year. These records must be maintained for at least five years after the filing of the reports. Your union failed to maintain adequate documentation, such as duplicate receipts, regarding income received from the sale of jackets, t-shirts, etc. Since you union agreed to maintain such records in the future, no further action is required at this time.

The CAP disclosed a violation of Title II of the LMRDA regarding the annual financial report required to be filed by your organization under Section 201(b) of the Act for fiscal year ending September 30, 2004. Specifically, it was discovered that Steward Salaries were improperly listed in Schedule 15, "Other Expenses", Miscellaneous Expenses is not a proper description in Schedule 15, and income received from sale of jackets, t-shirts, etc were not properly report. These deficiencies were discussed with your accountant, James Scavona. Since the local has filed an amended report, no further action is necessary.

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

Sincerely,

fcc)

Investigator

cc: James T. Scavona, CPA
Root, Spitznas & Smiley, Inc.
.900 State Street
Suite One
Erie, PA 16501