

U.S. Department of Labor

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March 27, 2008

Ms. Allison Elderkin, President
Electrical Workers IBEW, AFL-CIO
Local 1690
P.O. Box 161
Hinsdale, NY 14743

LM File Number 033-051
Case Number: [REDACTED]

Dear Ms. Elderkin:

This office has recently completed an audit of IBEW Local 1690 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, Recording Secretary Steven Mitchell, Financial Secretary Melinda Wood and Treasurer Vicki Sekoll on March 27, 2008, 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 1690's 2007 records revealed the following recordkeeping violations:

1. General Expenses

Local 1690 did not retain adequate documentation for some expenses incurred by the union. For example, documentation was not retained for the purchase of Bibles totaling at least \$467.

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. Meal Expenses

Local 1690 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$124.73. 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 1690 records of meal expenses did not always identify the restaurant where meal expenses were incurred or include the names and titles of the persons incurring the restaurant charges. For example, some restaurant receipts for negotiation lunches did not indicate the names of the restaurants or the officers and employees who incurred the charges. 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.

3. Lost Wages

Local 1690 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$678.41. 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 1690 did not identify the date lost wages were incurred on some lost wage vouchers.

Based on your assurance that Local 1690 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 1690 for fiscal year ending March 31, 2007, was deficient in the following areas:

1. Disbursements to Officers

Local 1690 did not include some reimbursements to officers totaling at least \$1,588.43 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense) or Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 1690 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to

another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Also, the union must report in Column D of Item 24 the gross salary of each officer before tax withholdings and other payroll deductions. This includes disbursements for lost time or time devoted to union activities.

2. Disbursements to Employees

Local 1690 did not include some disbursements to employees, such as payments to stewards for lost wages and meal allowances, in Item 46 (Disbursements to Employees). It appears that Local 1690 erroneously reported the names of stewards and disbursements to them in Item 24. All salaries, allowances, travel advances which are not considered loans, lost time payments and other direct and indirect disbursements to individuals other than officers, even if your organization does not consider them to be employees, should be included in Item 46.

3. Cash Reconciliation

Local 1690's cash figures for the reporting period do not balance. The amount in Item 25(A) (Cash at Start of Reporting Period), plus Item 44 (Total Receipts), minus Item 55 (Total Disbursements), does not equal the amount in Item 25 (B) (Cash at End of Reporting Period). It appears that either one or more of the figures in these items is inaccurate and should be corrected or the difference must be explained in Item 56 (Additional Information).

Local 1690 must file an amended Form LM-3 for fiscal year ending March 31, 2007, to correct the deficient items discussed above. I provided you with 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 April 28, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to IBEW Local 1690 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: James M. Schlosser, International Representative
Steven Mitchell, Recording Secretary
Melinda Wood, Financial Secretary
Vicki Sekoll, Treasurer