

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Miami Resident Investigative Office
One East Broward Boulevard
Room 608
Ft. Lauderdale, FL 33301
(954)356-6850 Fax: (854)356-6852



April 22, 2008

Electrical Workers IBEW AFL-CIO
Local Union 199
c/o Richard Craddock, Business Manager
2141 Jackson Street
Ft. Myers, FL 33901

LM File Number: 011-231

Case Number: [REDACTED]

Dear Mr. Craddock :

This office has recently completed an audit of 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 Business Manager Richard Craddock on April 3, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The following record keeping violations were revealed during the audit of Local 199's fiscal year ending 12/31/07 records:

Union officers and employees failed to retain adequate documentation for petty cash expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses paid for by the union and the locations (names of restaurants) where meal expenses were incurred must also be recorded.

Union officers and employees failed to retain adequate documentation for an IRS penalty payment. The date, amount, and business purpose of every expense must be recorded on at least one union record.

As agreed, provided that Lodge 1026 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

The audit also revealed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 199's officers and employees were bonded for \$25,000, but they must be bonded for at least \$56,051.41. As agreed, Local 199 obtained adequate bonding coverage for its officers and employees and provided the investigator with proof of the increased bonding coverage.

I want to extend my personal appreciation to 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 black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Thomas Nolan, Treasurer