

U.S. Department of Labor

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Office of Labor-Management Standards
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May 29,2008

Mr. Wayne Bowman, Financial Secretary
Electrical Workers IBEW AFL-CIO
Local Union 1024
103 Drexel Lane
Pittsburgh, PA 15214

LM File Number: 037-519

Case Number: [REDACTED]

Dear Mr. Bowman:

This office has recently completed an audit of IBEW Local 1024 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 Vice President Bruce Patrick and you on May 2,2008, 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 1024's 2006 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

Vice President Patrick, who received reimbursement for business use of his personal vehicle, did not retain adequate documentation to support payments to him totaling at least \$175.00 during 2006. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of **each** use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

2. Lost Wages

Local 1024 did not retain adequate documentation for lost wage reimbursement payments to President Augustine totaling at least \$197.00 and Vice President Patrick totaling at least \$431.00. 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 1024 did not maintain any documentation to support claims for lost wages.

During the exit interview, I provided a sample of an expense voucher Local 1024 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. General Reimbursed Expenses

Local 1024 did not retain adequate documentation for reimbursed expenses incurred by Vice President Patrick totaling at least \$75.00. Phone expenses were reimbursed without proper verification for business related calls. In addition, Secretary Michael Ruggiero was reimbursed for flower expenses totaling at least \$58.00 without documentation.

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.

Based on your assurance that Local 1024 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 Form LM-3 filed by Local 1024 for fiscal year ending 12/31/2006, was deficient in the following areas:

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 shown on bank statements.

I am not requiring that Local 1024 file an amended LM report for 2006 to correct the deficient items, but Local 1024 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. Local 1024's officers and employees are currently bonded for \$5,000, but they must be bonded for at least \$8,000. Local 1024 has provided proof of bonding coverage of \$10,000 to this office. As a result, OLMS will take no further enforcement action regarding this issue.

Mr. Wayne Bowman

May 27, 2008

Page 4 of 4

I want to extend my personal appreciation to IBEW Local 1024 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: Bruce Patrick, Vice President