

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
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May 17, 2010

Ms. Patty Johnson, Treasurer
International Brotherhood of Electrical Workers IBEW, AFL-CIO
Local Union 201
217 Sassafras Lane
Beaver, PA 15009

LM File Number 044-643
Case Number: [REDACTED]

Dear Ms. Johnson:

This office has recently completed an audit of Electrical Workers Local Union 201 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 on May 17, 2010, 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.

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 Union 201 for the fiscal year ending August 31, 2009, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local Union 201 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. For example, Treasurer Johnson received \$300.00 in her role as union treasurer. This amount was included in Item 46 (Cash Disbursements to Employees). Since Johnson is an elected officer of Local Union 201, she needs to be listed as an officer under Section 24 (All Officers and Disbursements to Officers).

In addition, in Item 24 (All Officers and Disbursements to Officers), Local Union 201 erroneously reported lost time payments to officers under the category of Allowances and Other Disbursements. Lost time payments to officers must be reported under the category Gross Salary (before taxes and other deductions).

2. Certificates of Deposit Reported As Investments

Local Union 201 improperly included the value of two certificates of deposit as investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

I am not requiring that Local Union 201 file an amended LM report for 2009 to correct the deficient items, but Local Union 201 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 Union 201 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

Ms. Patty Johnson
January 25, 2006
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cc: Domenic Scassa, President/Business Manager
Kenneth Herrmann, CPA