

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Philadelphia District Office  
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September 8, 2008

Mr. Jim Dougherty, Business Manager  
IBEW AFL-CIO  
Local 229  
300 Hudson Street  
York, PA 17403

LM File Number 036-043

Case Number: [REDACTED]

Dear Mr. Dougherty:

This office has recently completed an audit of IBEW Local 229 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 August 22, 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 Violation**

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 229's 2007 records revealed the following recordkeeping violation:

#### Credit Card Expenses

Local 229 did not retain adequate documentation for credit card expenses incurred. For example, a few receipts for gas purchases and car washes were not retained. However, most receipts for purchases were available.

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 229 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### Other Violation

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 229's officers and employees are currently bonded for \$100,000, but they must be bonded for at least \$285,000. Local 229 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than September 24, 2008.

Mr. Jim Dougherty  
September 8, 2008  
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I want to extend my personal appreciation to IBEW Local 229 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,

[REDACTED]

[REDACTED]

Investigator

cc: Christine Beyer, President