

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 13, 2005

James Byrd, President
Electrical Workers UE, Local 1112
2242 S. 12th Street
Milwaukee, WI 53215

File number is: 054-646

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Dear Mr. Byrd:

- This office has recently completed an audit of Electrical Workers UE, Local 1112 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 Financial Secretary Reidberger on June 27, 2005, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, 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 recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 1112's 2004 records:

1. Lost Time

Some vouchers submitted by union personnel for lost wages do not identify the union business conducted that required lost wages be incurred. The lost wage claims must 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.

2. Meeting Minutes

Local 1112 failed to retain its meeting minutes for periods before January 2004. Financial Secretary Reidberger stated that the previous vice president was fired from his job and failed to provide Local

1112 with various records in his possession, including meeting minutes. As previously noted, all union records must be retained for at least five years.

As agreed, provided that Local 1112 maintains adequate records in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 1112 for fiscal year ending June 30, 2004 was deficient in the following areas:

1. Payments to Officers

You advised that Local 1112 issues regular payments to officers to compensate them for the work that they do for the union. The payments are identified as "office expense" payments in the general ledger. Because these payments are not issued to reimburse the officers for any specific expenses, but rather to compensate them for the union work that they do, the payments must be reported in Column D (Gross Salary) of Item 24 (All Officers and Disbursements to Officers). The payments appear to have been erroneously reported in Item 24, Column E (Allowances and Other Disbursements).

In addition, Local 1112 failed to include some reimbursements to officers and employees in the amounts reported in Item 24, Column E. Such payments appear to have been erroneously reported in Item 54 (Other Disbursements) and Item 48 (Office and Administrative Expense).

All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in Item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value.

An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) 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 Expenses).

2. Payments to Employees

The audit revealed that some stewards received lost wage reimbursement payments during 2003. However, the LM-3 filed by Local 1112 reported no disbursements to employees in Item 46 (To Employees). Stewards (who are not officers) are considered employees for LM reporting purposes and any payments to them should be included in the amount reported in Item 46.

Additionally, the audit revealed some stewards and members were reimbursed for union expenses. For example, Billy Haynes was reimbursed \$200 ⁴ for meat he purchased for Local 1112's picnic. This is an example of a direct payment to an employee, and also must also be included in the amount reported in Item 46.

I am not requiring that Local 1112 file an amended LM-3 report for 2004 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with OLMS.

Other Issue

Authorization of Salaries

Authorization of the salary amounts paid to union officers could not be found in union records. I suggest that Local 1112 take steps to record the authorized salary amounts by discussing them at a future meeting and recording them in meeting minutes or some other internal document. When the authorized salaries have been recorded in union records, I would appreciate it if you would forward a copy of the record documenting the authorization to me at the above address.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Ms. Reidberger's successors at whatever time you may leave office.

I want to extend my personal appreciation to you and Ms. Reidberger for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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Investigator

cc: Cindy Reidberger, Financial Secretary

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