

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
New Orleans District Office  
600 South Maestri Place, Suite 604  
New Orleans, LA 70130  
(504) 589 6174 / FAX: (504) 589-7174



July 13, 2007

John A. Schultz, President  
IBEW LU 1139  
P.O. Box 53261  
New Orleans, LA 70153

Re: Case No. [REDACTED]  
LM File Number: 053-374

Dear Mr. Schultz,

This office has recently completed an audit of International Brotherhood of Electrical Workers Local 1139 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 Thomas Metz, Business Manager and Alvin J. Acosta, Jr., Treasurer today, 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 good 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 1139's 2006 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

Union officers who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$200.00 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. Information Not Recorded in Meeting Minutes

During the audit, Mr. Acosta advised OLMS that payment of non-recurring union expenses required membership approval. This would include expenses such as the Fifth District Progress Meetings (\$492.51), postage (\$131.10), office machines (\$168.75) and meal expenses (\$629.02) that were paid in November/December 2005 and February/March/April 2006. Mr. Acosta further advised that both the executive board and membership meetings are scheduled monthly. Although low meeting attendance has meant the local has not met the quorum requirement for a general membership meeting as set forth in *Constitution and Rules for Local Unions and Councils under Its Jurisdiction*, Article XVI, Sec. 3, pages 49-50, (01/1997) for the period of August 2005 - June 2006, at least a portion of the executive board did meet and authorize expenditures. Article XVIII, Sec. 1, #9, page 62, of the *Constitution and Rules for Local Unions and Councils under Its Jurisdiction*, (01/1997), requires that the President "shall see that all funds of the L.U. are deposited in a reputable bank or banks in the name of the L.U. subject to withdrawal by check signed in the name of the L.U. and countersigned by the president and treasurer, and see that no disbursements are made except on an order countersigned by the R.S. and himself after action of the L.U. However, no action of the L.U. is necessary to pay bills such as rent, salaries, and payments due to the I.S." However, there are no minutes of meetings of either the executive board or of the membership during this period. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 1139 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Electrical Workers Local 1139 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 are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

 Investigator

cc: Thomas Metz, Business Manager  
Alvin J. Acosta, Jr., Treasurer