

U.S. Department of Labor

Employment Standards Administration
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September 22, 2008

Mr. Ted Smith, President
Electrical Worker UE Local 299
30 Rosina Road
Hamden, CT 06514

LM File Number: 027-722

Case Number: [REDACTED]

Dear Mr. Smith:

This office has recently completed an audit of Electrical Workers Local 299 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 telephone exit interview with you on September 19, 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 Electrical Workers Local 299's 2006 records revealed the following recordkeeping violations:

1. Failure to Record Receipts and Disbursements

Local 299 failed to keep a receipts/disbursements journal. The local used the bank statements as their receipts/disbursements record. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money. The LM-4 instructions for Items 16 and 17 state that the labor organization must record receipts and disbursements made during the reporting period. Failure to record receipts and disbursements when actually received and disbursed could result in the union reporting receipts and disbursements for a different year than when received or disbursed.

2. Lost Wages

Local 299 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees in two instances. 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 299 retained lost time vouchers for Acting President Ted Smith and local member [REDACTED]. However, both vouchers failed to record a specific reason for the lost time (vouchers noted only union business) and one voucher failed to note the number of hours of lost time and the hourly rate of pay.

Based on your assurance that Local 299 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 LM-4 filed by Local 299 for fiscal year ending December 31, 2006, was deficient in the following area:

1. Disbursements To Officers

Local 299 did not report lost time and reimbursements to officers totaling at least \$175.14 in Item 18 (Total payments to officers and employees during the reporting period to include gross salaries, lost time, allowances, expenses etc.). It appears that the disbursements were reported in Item 17 (Disbursements made by the organization during the reporting period to include per capita tax, loans made, net payments to officers, payments for office supplies, etc.).

2. Disbursements and Receipts

Local 299 over reported disbursements for the reporting period in Item 17 (Total disbursements made by the organization for the reporting period). The local reported \$4,076 but actually disbursed \$3,419. It appears that the local erroneously reported a \$600 check written on December 30, 2005 and cashed on January 6, 2006, as a 2006 disbursement.

Local 299 under reported receipts in Item 16 (Total receipts for the organization during the reporting period). The local reported \$3,692 but the bank statements and employer dues payment records indicate the local had \$4,855.77 in receipts for the audit year ending December 31, 2006. The reporting error appears to be as a result of the CPA completing the LM-4 with no local receipts/disbursement journal and incomplete bank records.

I am not requiring that Local 299 file an amended report for 2006 to correct the deficient items, but Local 299 has agreed to properly report the deficient items on all future report it files with OLMS. In addition, the audit revealed that Local 299's LM-4 report for fiscal year ending December 31, 2007 is delinquent. I am requiring that Local 299 file a Form LM-4 for the fiscal year ending December 31, 2007 to clear the delinquency not later than November 3, 2008.

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I want to extend my personal appreciation to Electrical Workers Local 299 and United Electrical Workers National office 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,

Mark Letizi
District Director

cc: Ms. Kena Diggins, U.E. National Auditor