

U.S. Department of Labor

Office of Labor-Management Standards
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October 13, 2009

Joseph Milano, President
IBEW, AFL-CIO
Local Union 544
5890 Shattuck Road
Bath, NY 14810

LM File Number: 041-526

Case Number: [REDACTED]

Dear Mr. Milano:

This office has recently completed an audit of the IBEW Local 544 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 the former local President Joseph Harrington and present Financial Secretary Matthew Randall on October 6, 2009 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 544's 2008 records revealed the following recordkeeping violations:

General Expenses

Local 544 did not create or maintain adequate documentation for payments to Financial Secretary Matthew Randall and President Joseph Harrington totaling \$417.19. There was no supporting documentation or detailed explanation accompanying the vouchers that were submitted for payments to these officers.

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 544 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 Form LM-3 filed by Local 481 for fiscal year ending December 31, 2008, was deficient in that:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25, are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should enter the total of all the organization's cash on hand and on deposit which includes Certificates of Deposit (CD's) and any interest credited to the organization's account(s). Local 544 had two CD's totaling \$27,093 misreported in Item 28 (Investments). Additionally, Local 544 earned \$300.52 in interest and dividends but reported \$73 in Item 41 (Interest and Dividends).

2. Informational Items

It was revealed during the opening interview that some of the union's records are kept by Recording Secretary Ed Sunderlin at a different location (Buffalo, NY) than the one reported on the LM-3. Item 9 on the LM-3 asks if the organization's records are kept at the mailing address in Item 8. The union answered "Yes." If the recording secretary continues to maintain union records at his address, on future reports answer "No" to Item 9 and note in Item 56 where the records are kept.

I am not requiring that Local 544 file an amended LM report for 2008 to correct the deficient items, but Local 544 has agreed to properly report the deficient items on all future reports it files with OLMS.

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I want to extend my personal appreciation to Local 544 for their 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 be of any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Matthew Randall, Financial Secretary
Joseph Harrington, Former Local President
Edward Sunderlin, Recording Secretary