



June 22, 2012

Mr. Shaun Nicewonger, Financial Secretary  
Utility Workers, AFL-CIO  
Local Union 180  
302 East Wopsonnock Avenue  
Altoona, PA 16601

Case Number: [REDACTED]  
LM Number: 009256

Dear Mr. Nicewonger:

This office has recently completed an audit of Utility Workers, AFL-CIO, Local Union 180 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 June 21, 2012, 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.

#### Reporting 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 Local Union 180's 2011 records revealed the following recordkeeping violations:

#### 1. Officer Meal Expenses

Local Union 180 did not retain adequate documentation for officer meal expenses incurred by union officers totaling at least \$1,186.46. Local Union 180 did not require officers to submit itemized receipts for their meal expenses. The union must maintain itemized

receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

For example, although the union records of meal expenses included the credit card slip associated with the meal expense, the union did not consistently maintain the itemized restaurant bill. In addition, Local Union 180 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

As 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.

## 2. Lost Wages

Local Union 180 did not retain adequate documentation for lost wage reimbursement payments to union officers on at least 32 occasions. 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 although Local Union 180 did provide a lost wage reimbursement form for lost wages, the phrase "union business" was often used as a justification for the work performed by President Benjamin Wilkinson when he worked in the union office. Officer Wilkinson did not identify on the lost wage vouchers the nature of the union business conducted while at the union office.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, which contained a sample of an expense voucher Local Union 180 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local Union 180 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 Union 180 for the fiscal year ended September 30, 2011 was deficient in the following areas:

1. Disbursements to Officers

Local Union 180 did not include some reimbursements to officers totaling at least \$2,899.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 Other Disbursements.

The union must report most direct disbursements to Local Union 180 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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 Expense).

Local Union 180 officers also failed to list all of their officers on the LM-3 Report who held office in the labor organization at any time during the reporting period. The union must include all of the Local Union 180 officers whether or not any salary or other disbursements were made to them or on their behalf by the labor organization. "Officer" is defined in section 3(n) of the LMRDA (29 U.S.C. 402) as "any constitutional officer, any person authorized to perform the functions of president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body."

2. Investments Reported As Cash

Local Union 180 improperly included the value of their mutual funds with Ameriprise Financial investments in Statement A (Assets and Liabilities) as cash. For LM reporting purposes, OLMS considers mutual funds to fall under the category of investments.

3. Failure to Properly Record Receipts

Local Union 180 failed to properly categorize receipts received during the fiscal year. For example, the audit found that Local Union 180 collected \$1,070.00 from the sale of Altoona Curve tickets but recorded the transactions under item 38 Dues when the receipts should have been recorded under Item 43 Other Receipts.

4. Postage and Rental Expenses listed under Other Disbursements

It appears that Local Union 180 reported approximately \$491.46 in postage expenses and \$1,680.00 in rent under the category of Other Disbursements when it would have been more appropriate to list the expenses under Item 48 Office and Administrative Expenses.

5. Donations listed under Other Disbursements

It appears that Local Union 180 incorrectly reported a \$400.00 donation to the Blair Bedford Labor Council under the category of Other Disbursements when it would have been more appropriate to list the donation under Item 51 Contributions, Gifts and Grants.

6. Question 17 Answered Incorrectly

Question 17, which asks: "Pay any employee salary, allowances, and other expenses which, together with any payments from affiliates, totaled more than \$10,000?" is incorrectly answered "yes." This question refers to payment of money to employees of the local union and should be answered "no" as the union has no employees, only officers.

7. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local Union 180 amended its constitution and bylaws in 2007 but did not file a copy with its LM report for that year.

Local Union 180 provided two copies of its constitution and bylaws during the compliance audit.

Local Union 180 must file an amended Form LM-3 for the fiscal year ended September 30, 2011, to correct the deficient items discussed above. I encourage Local Union 180 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than July 23, 2012 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Utility Workers, AFL-CIO, Local Union 180 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,



Investigator

cc: Mr. Benjamin Wilkinson, President  
Young, Oakes, Brown & Company