

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
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Buffalo, New York 14202
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February 18, 2005

Carmen DePoalo, Business Agent
Electrical Workers IUE AFL-CIO
Local Union #301
336 Broadway
Schenectady, NY 12305

Re:

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Dear Mr. DePoalo:

This office has recently completed an audit of Electrical Workers IUE, Local Union #301 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, President Jose Fernandez, and bookkeeper Kathleen Iacovitti on February 4, 2005, the following issues were discussed 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.

The CAP disclosed that the union properly maintained the vast majority of records required to be retained in support of receipts and disbursements under the LMRDA, Section 206. However, it was agreed that attention should be given to consistently recording all miscellaneous payments and donations received by the union for recreational events, fund raising events and other purposes, in the union's duplicate receipts book. All receipt slips and other supporting documents for union credit card charges should also be maintained. If any documents are not sufficiently descriptive, a note can be written on them providing the additional information.

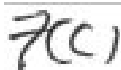
In reference to the LM-2 report, receipts from the sale of investments and disbursements for the purchase of investments should not include amounts from investments which were sold and promptly reinvested (i.e., "rolled over") during the reporting period. Refer to the instructions for schedules 6 and 7. It should also be noted that 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 schedule 9. 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 schedule 13, and item 60 (Office and Administrative Expenses).

Finally, the audit revealed that the union's officers and employees were not bonded for at least 10% of the total funds handled by those individuals during the preceding fiscal year. Your certificate of bonding notes that only the president and bookkeeper are covered for \$100,000. We discussed a suitable increase would be to at least \$150,000. It was agreed that the union should obtain adequate bonding coverage for all officers and employees and evidence of updated bonding coverage should be provided to this office by March 4, 2005.

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

Sincerely,



Investigator

cc: Jose Fernandez, President