

**U.S. Department of Labor**

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September 30, 2008

Mr. Frank Gentry, President  
Electrical Workers (IBEW), AFL-CIO  
Local 2270  
2210 G. Greenstone Rd.  
Wilmington, DE 19810

LM File Number 066-364

Case Number: [REDACTED]

Dear Mr. Gentry:

This office has recently completed an audit of IBEW Local 2270 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 and Sterling Rapposelli on September 29, 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 IBEW Local 2270's 2007 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

IBEW Local 2270 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$4,839.36. For example, union records did not contain receipts or invoices for check # [REDACTED] dated March 3, 2007 disbursed to former Treasurer [REDACTED] in the amount of \$415.05 for expenses. Union records also did not contain receipts or invoices for check # [REDACTED] dated May 25, 2007 for \$500.00 or check # [REDACTED] dated July 10, 2007 for \$863.90. Both checks were issued to Judge of Elections Frank Lombardo. The purpose noted on both checks is election expenses.

During the audit interviews were conducted with executive board officers and Lombardo that confirmed both Lombardo and [REDACTED] had submitted receipts to IBEW Local 2270 before being reimbursed for expenses. The executive board reviewed the receipts and approved the disbursements. During the audit period the union had three different treasurers and the receipts submitted by [REDACTED] and Lombardo were lost.

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.

2. Lost Wages

IBEW Local 2270 did not retain adequate documentation for lost wage reimbursement payments to former President [REDACTED] and Judge of Elections Frank Lombardo totaling at least \$2,467.98. 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 IBEW Local 2270 did not maintain adequate records that identified the dates lost wages were incurred, the applicable rate of pay and a description of the union business conducted. For example two checks to Lombardo were the union's only record of Lombardo's lost time disbursements. Check # [REDACTED] was issued on June 16, 2007 for \$400.73. The purpose noted on the check is election 24 hours lost time. Check # [REDACTED] was issued on July 10, 2007 for \$242.35. The purpose noted on the check is election 13 hours lost time.

During the audit you confirmed that the union is now maintaining lost time vouchers for all disbursements. The new vouchers 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.

### 3. Failure to Record Receipts

IBEW Local 2270 failed to record all income received by the union totaling at least \$793.20. Bank records detail two deposits into the union's checking account that is not recorded in union records. The first deposit was made on August 22, 2007 in the amount of \$670.05. The second deposit was made on September 5, 2007 in the amount of \$123.15. 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.

Based on your assurance that IBEW Local 2270 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violation

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 IBEW Local 2270 for fiscal year ending December 31, 2007, was deficient in the following area:

#### Disbursements to Officers

IBEW Local 2270 did not include some reimbursements to officers totaling at least \$1,061.48 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). The reimbursements were to Recording Secretary WJ Przywara for \$646.43 and former Treasurer [REDACTED] for \$415.05. IBEW Local 2270 also did not report [REDACTED] name or the reimbursed expenses to [REDACTED] on the 2007 LM-3 report.

The union must report most direct disbursements to IBEW Local 2270 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).

On September 29, 2008 IBEW Local 2270 filed an amended Form LM-3 for fiscal year ending December 31, 2007 to correct the deficient items discussed above. The union also agreed to accurately report all receipts and disbursements on all future LM-3 reports.

I want to extend my personal appreciation to IBEW Local 2270 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,

[REDACTED]  
[REDACTED]  
Investigator

cc: Sterling Rapposelli, Treasurer