

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
1000 Liberty Avenue
Room 1411
Pittsburgh, PA 15222
(412)395-6925 Fax: (412)395-5409



February 4, 2008

Ms. Patty Johnson, Treasurer
International Brotherhood of Electrical Workers
LU 201
217 Sassafras Aly
Beaver, PA 15009-1709

LM File Number 044-643
Case Number: [REDACTED]

Dear Ms. Johnson:

This office has recently completed an audit of Electrical Workers LU 201 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 Domenic Scassa, and Financial Secretary Linda Dioguardi on January 31, 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 Local 201's 2007 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 201 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Domenic Scassa totaling at least \$585.33. For example, general fund check [REDACTED] was used to reimburse the Hershey Lodge in May 2007. The hotel bill was not retained.

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 201 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-3 filed by Local 201 for fiscal year ending August 31, 2007, was deficient in the following area:

Certificates of Deposit Reported As Investments

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Local 201 improperly included the value of certificates of deposit as investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

I am not requiring that Local 201 file an amended LM report for 2007 to correct the deficient item, but Local 201 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Electrical Workers LU 201 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