



July 26, 2012

Ms. Cathy Hubbard, Treasurer
Electrical Workers (IBEW) LU 2213
One Telergy Pkwy
6333 Route 298, Suite 103
East Syracuse, NY 13057

Case Number: [REDACTED]
LM Number: 062839

Dear Ms. Hubbard:

This office has recently completed an audit of Electrical Workers (IBEW) LU 2213 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 Mary Jo Arcuri, and Vice President Lori Speciale on July 24, 2012, the following problems were disclosed during the audit. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope and did not include all areas of your union's operation.

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.

Lack of Authorization

Local 2213 did not maintain records to verify the authorization of compensation reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2. Although the audit disclosed that union records adequately document payments for lost time, wages, and travel expenses, the by-laws do not establish procedures for authorizing lost time, wages, and travel

expenses. For example, the by-laws do not specify whether retired members are eligible to receive payments for work they perform on their own time and at what rate of pay.

Although the union maintained sufficient records explaining union credit card and mobile telephone expenses and the transactions appear to be for legitimate union purpose, the local does not have guidelines for the use of union credit cards and union mobile telephones.

OLMS recommends unions adopt written policies for administering payments. The enclosed OLMS compliance tips titled *Union Lost Time Payments*, *Union Credit Card Policy*, and *Reimbursed Travel Expense Payments* offer suggestions for developing policies that will ensure compliance with the LMRDA.

Provided the union retains adequate documentation in the future, this Office will not take further enforcement action at this time regarding the matters above.

I want to extend my personal appreciation to Electrical Workers (IBEW) LU 2213 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: Ms. Mary Jo Arcuri, President
Ms. Lori Speciale, Vice President