

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
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February 27, 2009

Mr. Raymond Pompano, President
Electrical Workers UE IND
Local 243
267 Chapel Street
New Haven, CT 06513

LM File Number 007675
Case Number: [REDACTED]

Dear Mr. Pompano:

This office has recently completed an audit of UE Local 243 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, Financial Secretary Frank Petrowski, and Treasurer Reinhardt Katynski on February 25, 2009, 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.

The CAP disclosed recordkeeping violations and reporting violations.

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 243's 2007 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 243 did not retain adequate documentation for credit card expenses incurred by President Raymond Pompano. For example, expenses including charges at Union People Products in the amount of at least \$1,800, Gemini Screenprinting totaling at least \$6,000, and Creative Floral totaling at least \$400 were charged to the union credit card and no supporting documentation was found in the union records. In addition, monthly charges for AT&T telephone services were charged to the union credit card and the associated invoices were not maintained. Air travel and hotel expenses in the amount of at least \$2,690.00 for President Pompano, Vice President Christopher Fiorentino and Chief Steward Wayne Morrison were also lacking supporting documentation.

During the audit invoices for AT&T, Union People Products, Gemini Screenprinting and the Omni Penn Hotel were obtained and placed in the union records. 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. Information not Recorded in Meeting Minutes

In an amendment to Local 243 Bylaws, Section I (3) there is a requirement that during monthly meetings the treasurer make a financial report to the membership

and request approval of the report. Minutes provided failed to reflect any mention of the treasurer's report during membership meetings.

Based on your assurance that Local 243 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 243 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 243 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 243 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).

2. Fixed Assets

Local 243 failed to include fixed assets in Item 29 (A) and (B) on the 2007 LM 3 report. The local owns office equipment, which will be inventoried and included on future reports.

I am not requiring that Local 243 file an amended LM report for 2007 to correct the deficient items, but Local 243 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to UE Local 243 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,



Supervisory Investigator

cc: Frank Petrowski, Financial Secretary
Reinhardt Katynski, Treasurer