

**U.S. Department of Labor**

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January 7, 2008

Mr. Gary Rappleye, Financial Secretary  
Electrical Workers UE  
Local 329  
318 Lake Street  
Elmira, New York, 14901-2805

Re: Case Number: [REDACTED]

Dear Mr. Rappleye:

This office has recently completed an audit of Electrical Workers Local 329 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 Kevin Elmquist, Recording Secretary Kenneth Leupelt, and Treasurer Randy Bertelson on December 19, 2007, 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 329's 2007 records revealed the following recordkeeping violations:

#### General Expenses

Local 329 did not retain adequate documentation for reimbursed expenses totaling at least \$1,488.35. Although the union records contained a voucher made out for the disbursement, original receipts were not submitted. For example, check # [REDACTED] for Horseheads Beverages on January 14, 2006 for \$98.58 did not include a receipt. The voucher only indicated "refreshments" but did not specify what was purchased. Additionally, no documentation for a hotel stay at the Holiday Inn from Monroeville, PA for \$437.52 in April 2006 was retained.

Local 329 also did not maintain any records of members receiving store gift cards that were given away during the summer outing and/or Christmas gifts. The union did retain a Christmas gift request form that is used for purchasing gifts for union member's children, grandchildren, step-children, or foster children. However, the union does not adequately document if the member's child received the gift.

Furthermore, no documentation was retained when Local 329 provided death benefits to union members. A copy of the obituary or other verifying information should be retained in the union records documenting the authenticity of the benefit.

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.

Other Issue

Internal Controls

To strengthen internal controls, it was recommended that Local 329 keep itemized deposit slips to verify the deposits being made into the union's checking account, especially when combining several checks or checks and cash. Also, it was recommended that each voucher be signed by two officers to establish a system of checks and balances for disbursements from the union accounts.

I want to extend my personal appreciation to Electrical Workers Local 329 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: Kevin Elmquist, President