



August 6, 2012

Ms. Richelle Bolduc, Secretary-Treasurer
Electrical Workers UE IND Local 264
[REDACTED]

Case Number: [REDACTED]
LM Number: 511478

Dear Ms. Bolduc:

This office has recently completed an audit of Electrical Workers UE IND Local 264 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 Secretary Pamela Lukasik on August 2, 2012, 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 UE Local 264's 2011 records revealed the following recordkeeping violations:

1. Receipt Dates not Recorded

Entries in Local 264's receipts ledger reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state

that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Lost Wages

Local 264 did not retain adequate documentation for lost wage reimbursement payments to union stewards in at least two instances. 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 while Local 264 did retain union vouchers, the two vouchers did not record each date time was lost doing union business but totaled all the time lost over a number of days under one date.

3. Lack of Salary and Allowance Authorization

Local 264 did not maintain records to verify that the salary and allowance reported on Statement B in Item 46 To Employees was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary and allowances authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 264 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 264 for fiscal year ending June 30, 2011, was deficient in the following area:

Disbursements to Officers and Employees

Local 264 did not include some allowance and reimbursement payments to an employee in Statement B, Item 46 (To Employees). It appears that the local erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business.

I am not requiring that Electrical Workers UE IND Local 264 file an amended report for 2011 to correct the deficient items, but Local 264 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Electrical Workers UE IND Local 264 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: Mrs. Pamela Lukasik, Secretary