

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
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July 7, 2006

Mr. Richard D. Irish, President
Electrical Workers IBEW AFL-CIO
Local Union 36
595 Blossom Road, Suite 303
Rochester, NY 14610

Re: Case Number: XXXXXXXXXX

Dear Mr. Irish:

This office has recently completed an audit of Electrical Workers IBEW Local Union 36 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 Dennis Hamilton, and Treasurer George Baker on June 30, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

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The vast majority of required documentation was properly maintained by Local 36. However, the audit disclosed that some checks that were voided and not issued were not retained. Also, a check issued to your accountant at the end of 2005 was not retained, although an image of the check was obtained from the bank during the audit.

As agreed, provided that Local 36 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 36's officers and employees are currently bonded for \$20,000, but they must be bonded for at least \$30,000.

Local 36 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as adequate coverage has been obtained, but not later than July 24, 2006.

I want to extend my personal appreciation to Electrical Workers IBEW Local 36 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: George Baker, Treasurer
Dennis Hamilton, Financial Secretary