

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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October 21, 2009

Mr. Duane Jess, Financial Secretary
IBEW AFL-CIO
Local 1413
P.O. Box 122
Oak Harbor, Ohio 43449-0122

Re: Case Number: [REDACTED]

Dear Mr. Jess:

This office has recently completed an audit of IBEW Local 1413 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 Brad Goetz on September 29, 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.

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 1413's 2008 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 1413 did not retain adequate documentation for credit card expenses incurred by Financial Secretary Jeff Gluza totaling at least \$74.02. For example, no receipts were available for the purchase of the union's post office box number at the United States Postal Service, a card purchased at Meijer, and a withdrawal for parking.

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. Dues and Initiation Fees Records

Local 1413 did not retain adequate documentation for income received and deposited during the audit period. For example, several employer dues check-off lists and receipts of four new members' initiation fees collected were not supported by any documentation. Although all receipts were recorded in the union's monthly financial statements and deposited into the union's bank account, a record recording the source of the income was not retained. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Executive Board Meeting Minutes

During the audit, you and President Brad Goetz advised OLMS that the executive board authorized monthly expenses at its monthly meetings and presents them at the membership meetings. However, Local 1413 failed to maintain executive board meeting minutes for February, March, August, October, and December 2008. Article XIX of Local 1413's Bylaws requires that the executive board authorizes monthly expenditures. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 1413 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 1413 amended its constitution and bylaws in 1991, but did not file a copy with its LM report for that year.

Local 1413 has now filed a copy of its constitution and bylaws.

2. Failure to File Financial Reports

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports disclosing their financial condition and operations. Local 1413 failed to file their LM-3 report for fiscal year end December 31, 2008.

The law requires the president and treasurer or other corresponding principal officers of each labor organization to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of its fiscal year.

Local 1413 must file it's Form LM-3 for fiscal year ending December 31, 2008. Investigator Sheneman provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than November 13, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to IBEW Local 1413 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,

Brian A. Pifer
District Director

cc: Brad Goetz, President