

U.S. Department of Labor

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Office of Labor-Management Standards
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December 12, 2008

Mr. Forrest Ceel, President
Electrical Workers IBEW Local 2150
N56 W13777 Silver Spring Dr
Menomonee Falls, WI 53051

LM File Number: 060-914
Case Number: [REDACTED]

Dear Mr. Ceel:

This office has recently completed an audit of IBEW Local 2150 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 Business Manager Daniel Sherman and Margaret Thrasher on November 19, 2008, 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 2150's 2007 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 2150 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$450. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 2150 records of meal expenses did not always include legible written explanations of union business conducted or the names and titles of persons incurring the restaurant charges. For example, the writing on a receipt for a meal at Thunder Bay Grille in Pewaukee, WI on January 19, 2007 in the amount of \$47.91 submitted by Business Agent Joe Kohler was illegible, and there was no additional information provided on the monthly expense report submitted by Mr. Kohler for this meal.

2. Other Officer Expenses

Some expense reimbursements to officers for other types of expenses were not properly documented. For example, no receipt was found for a disbursement you made on December 13, 2006 at Discount Liquor in Milwaukee, WI in the amount of \$255.56. Instead, only a printout from the Union Plus Card website showing the date, merchant, and amount of the purchase, with no details regarding what was purchased, was found in union records. A written notation that this purchase was for beverages and ice for a meeting was found on the printout you provided. However, the original receipt provided to you at the time of the purchase should have been maintained.

Based on Business Manager Dan Sherman's assurance that Local 2150 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.


Reporting Violation

Failure to File Bylaws

The CAP 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 constitution or bylaw changes are made. Local 2150 amended its bylaws in 2006, but a copy was not filed with its LM report for that year. A copy of Local 2150's bylaws has now been filed.

I want to extend my personal appreciation to IBEW Local 2150 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: Daniel Sherman, Business Manager