



July 15, 2022

Mr. Keith LaPlant, President
Electrical Workers, IBEW AFL-CIO Local 824
6603 E. Chelsea Street
Tampa, FL 33610

Case Number: 410-6023727()
LM Number: 059212

Dear Mr. LaPlant:

This office has recently completed an audit of Electrical Workers, IBEW AFL-CIO Local 824 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, Treasurer Pam Elleby, Business Manager Joshua Saladino and Senior Investigator [REDACTED] on July 14, 2022, 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 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 824's 2021 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 824 did not record in its receipts records some employer dues checkoff checks that were direct deposited into the union's bank account totaling at least \$20,000. For example, Local 824 only recorded cash and checks collected in the field and deposited by the union

officer. 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.

2. Disposition of Property

Local 824 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

3. General Reimbursed and Credit Card Expenses

Local 824 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the union officers totaling at least \$500. For example, the union failed to retain the receipt from Facebook services and office supplies purchased from Office Depot.

As 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.

4. Meal Expenses

Local 824 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, the local failed to record the name of attendees for a meal receipt totaling at least \$74. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 824 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 (Form LM-2) filed by Local 824 for the fiscal year ended December 31, 2021, was deficient in that:

Failure to Timely File LM Report

The audit disclosed a reporting violation of LMRDA Section 201(b), which requires that a union electronically file its LM report within 90 days after the end of its fiscal year. Local 824's fiscal year ended December 31, 2021, but the union did not file its LM report for that year until after March 31, 2022.

Local 824 has now filed its LM-2 report for fiscal year 2021.

Other Issues

Duplicate Receipts

Members of Local 824 purchased T-shirts and hats from the union. OLMS recommends that Local 824 use a duplicate receipt system where the union issues original pre-numbered receipts to all members who make payments directly to the union and retains copies of those receipts. A duplicate receipt system is an effective internal control because it ensures that a record is created of income which is not otherwise easily verifiable. If more than one duplicate receipt book is in use, the union should maintain a log to identify each book, the series of receipt numbers in each book, and to whom each book is assigned.

I want to extend my personal appreciation to Electrical Workers, IBEW AFL-CIO Local 824 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,



Senior Investigator

cc: Mr. Joshua Saladino, Business Manager
Ms. Pam Elleby, Treasurer