



December 13, 2022

Ms. Pamela Combs, President
IBEW Local 2287
5160 College Corner Pike
Oxford, OH 45056-0231

Case Number: 350-6025262()
LM Number: 068182

Dear Ms. Combs:

This office has recently completed an audit of IBEW Local 2287 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 Penny Nutty, Recording Secretary Bobbie Jo Stringfellow, Vice President Greg Ratliff, and Financial Secretary Kendra Ediskey on November 22, 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.

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 2287's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Travel Expense Advances/Reimbursements

Local 2287 did not retain adequate documentation for reimbursed expenses and travel expenses incurred by Combs, Negotiating Committee Member [REDACTED], and former

Recording Secretary Debra Smith totaling at least \$2,874.86. For example, Local 2287 did not retain hotel and rental car receipts for trips by Combs to Chicago, Illinois for contract negotiations in June, August, and September 2021. Specifically, hotel receipts totaling \$2,167.58 and rental car receipts totaling \$340.10 were not retained in the union records. Further, no vouchers were prepared for the August and September 2021 trips. However, I note that during the audit, Local 2287 obtained and provided all hotel and car rental receipts to OLMS.

The audit also identified general disbursements totaling at least \$436.19 for which no receipts or invoices were retained by the local. For example, on February 24, 2021, Local 2287 disbursed \$122.59 to [REDACTED] of The Computer People for computer repairs, but did not retain an invoice in the union records.

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.

2. Lost Wages

Local 2287 did not retain adequate documentation for lost wage reimbursement payments to Combs and [REDACTED] totaling at least \$2,008.42 in that the union business or purpose was not recorded on the voucher. 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 Local 2287 did not meet the requirement in that some of the lost time vouchers did not identify the union business conducted. I note that during the audit, Combs provided additional information regarding the union business conducted for the deficient lost time vouchers.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 2287 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Failure to Properly Record Receipts

Local 2287 did not accurately record in its receipts records some union dues and initiation fees paid directly by the members to the local totaling at least \$793.67. Although Local 2287 issued duplicate receipts to the members, the dues and initiation fees were deposited in the lost time checking account and subsequently transferred to the general fund checking account. However, the deposits were recorded in Quicken as deposits to the general fund checking account and thus, the local's cash receipts did not accurately reflect the deposits to the lost time checking account and subsequent transfers. Further, In May or June 2021, the local received an anonymous donation of \$100.00 from a member, but did not issue a

duplicate receipt. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, the source of the money, and the deposit.

Based on your assurance that Local 2287 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-3) filed by Local 2287 for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Disbursements to Officers

Local 2287 did not include some reimbursements to officers totaling \$5,200.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48. For example, Combs received reimbursements and travel advances totaling \$3,679.70 and Nutty received reimbursements and a travel advance totaling \$1,297.08. However, Local 2287 did not report any amounts in Item 24(E) [Allowances and Other Disbursements].

The audit also revealed the local reported Combs' salary (lost time reimbursements to Schneider Electric) in Item 24(D) as \$10,034. However, the audit revealed the local reimbursed Schneider Electric for \$10,230.26, a difference of approximately \$166.26.

The union must report all lost time payments, most direct disbursements to Local 2287 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 2287's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. The audit revealed cash did not reconcile by \$97.00

because the beginning balance of cash was reported as \$24,130 although the book balance was \$24,232.50. As a result, the beginning cash balance was under reported by approximately \$102.50. Further, Statement B reported disbursements of \$84,774 although the total disbursements per the union's books were \$84,973.59 and thus, total disbursements were under reported by approximately \$199.59.

3. 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 2287 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year. I also note Local 2287 subsequently amended its bylaws in 2022.

As agreed, Local 2287 will file a copy of its 2012 constitution and bylaws as soon as possible. Local 2287 will file its 2022 constitution and bylaws with OLMS by March 30, 2023, the due date for the 2022 LM-3 report.

I am not requiring that Local 2287 file an amended LM report for 2021 to correct the deficient items, but Local 2287 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. Travel Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 2287 does not have a clear policy regarding travel advances, per diem, rental vehicles, and gas charges. Local 2287 should adopt a clear policy regarding travel expenses including submission of travel vouchers and applicable receipts to ensure travel advances are expended in accordance with the local's travel policy. OLMS recommends that unions adopt written guidelines concerning such matters.

2. Cancelled Checks

The audit revealed that Local 2287 does not currently receive copies of cancelled checks from Sommerville Bank, but obtained copies for the audit. During the exit interview I discussed the financial safeguards afforded by obtaining copies of cancelled checks for review.

I want to extend my personal appreciation to IBEW Local 2287 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: Ms. Penny Nutty, Treasurer