



July 28, 2022

[REDACTED], President
Electrical Workers IBEW AFL-CIO
Local 889

Case Number: 520-6024888([REDACTED])
LM Number: 012143

Dear [REDACTED]:

This office has recently completed an audit of IBEW Local 889 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 on July 21, 2022, the following problem was 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 889's 2021 records revealed the following recordkeeping violations:

Lack of Authorization for Monthly Allowances

IBEW Local 889 did not maintain records to verify that the treasurer's monthly allowance reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current allowances authorized by the entity or individual in the union with the authority to establish salaries and allowances.

Based on your assurance that Local 889 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to IBEW Local 889 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,

[REDACTED]
Investigator

cc: Mr. Daniel Martinez, Financial Secretary