

U.S. Department of Labor

Office of Labor-Management Standards
Dallas-New Orleans District Office
A. Maceo Smith Fed. Bldg.
525 S. Griffin Street, Suite 300
Dallas, TX 75202
(972) 850-2500 Fax: (972) 850-2501



March 24, 2023

Mr. Keith Bogy, President
IBEW Local 2033
PO Box 2437
Pine Bluff, AR 71603

Case Number: 420-6025686()
LM Number: 025363

Dear Mr. Bogy:

This office has recently completed an audit of International Brotherhood of Electrical Workers (IBEW) Local 2033 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 Treasurer Kevin Moore on March 15, 2023, 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 2033's 2021 records revealed the following recordkeeping violations:

1. Contributions, Gifts, and Grants

The union did not maintain records necessary to verify the distribution and receipt of t-shirts given to members totaling \$2,873.55. 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.

2. Lost Wages

Local 2033 did not retain adequate documentation for lost wage payments to union officers totaling at least \$15,795.49. 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 2033 maintained only lost time and expenses vouchers and canceled checks; however, no record of employer confirmation of the lost time was maintained.

It is recommended that the local requires the submission of employer records, such as work schedules and pay stubs to confirm the proper rate of pay from officers, prior to the payment of lost time.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 2033 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.

Based on your assurance that Local 2033 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 LM-3 filed by Local 2033 for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Office and Administrative Expenses

Local 2033 reported \$210.00 for Item 48 (Office and Administrative Expenses). The accurate amount should be \$12,904.57 for the purchase of office supplies, rent payments, and taxes.

Disbursements listed in Item 48 (Office and Administrative Expenses) should include ordinary office and administrative expenses, for example, rent, utilities, office supplies, postage, subscriptions, fidelity bond premiums, etc. Include all taxes assessed against and paid by your organization, including your organization's FICA

taxes as an employer. Do not include disbursements for the transmittal of taxes withheld from the salaries of officers and employees which must be reported in Item 54 (Other Disbursements).

2. Contributions, Gifts, and Grants

Local 2033 reported no disbursements in in Item 51 (Gifts, Grants, and Contributions). The local must report gifts, such as flowers for member's funerals and t-shirts given to the membership, totaling at \$3,108.00 in Item 51 (Gifts, Grants, and Contributions).

3. Disbursements to Officers

Local 2033 reported inaccurate reimbursement amounts in Item 24, Column E (Allowances and Other Disbursements) on the LM-3. The accurate amount for Bogy should have been \$30.00 and \$436.64 for Hooks. The local also inaccurately reported \$7,673.00 for Vice President Shannon Hall. Hall received no allowances or other reimbursements during the audit period.

The union must report most direct disbursements to Local 2033 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).

4. Salary to Officers

Local 2033 failed to report the proper salary and lost time payments to officers in Item 24 (All Officers and Disbursements to Officers), Section D (Gross Salary). The audit disclosed that the proper salary and lost time payments to officers were \$8,562.38 for President Keith Bogy, \$2,411.49 for Former Treasurer Elliott Hooks, \$6,581.92 for Vice President Shannon Hall, \$360.00 for Financial Secretary [REDACTED], \$360.00 Financial Secretary Paul Veneable, and \$279.70 for [REDACTED].

The union must report most direct disbursements to Local 2033 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).

5. 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 2033 must file the union's most recent bylaws dated June 9, 2017, with its LM report.

Local 2033 must file an amended Form LM-3 for the fiscal year ended December 31, 2021, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than March 29, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issues

Fixed Assets

During the audit, President Keith Bogy and Treasurer Kevin Moore stated that the local owns a building, Pine Bluff Labor Temple (Labor Temple), located at 5300 Hoover St. Pine Bluff, AR 71602 used as a union hall for the local and five other local unions which represent members employed at the Evergreen Packaging Company. The Labor Temple is governed by a set of bylaws, which lists an executive board, but did not identify ownership of the building. The property was not reported as a fixed asset on Local 2033's LM reports.

The audit disclosed that Local 2033 does not maintain records for the building, handle the finances for the property, and there are no representatives from Local 2033 on the executive board for the labor temple. OLMS contact with Labor Temple President [REDACTED] (IBEW 750), Treasurer [REDACTED] (Steelworkers 1731), and the outside accountant disclosed that the Labor Temple is owned by more than one local. The Labor Temple officers decided the Labor Temple Treasurer will report the property as a fixed asset on the LM-3 for his local, Steelworkers Local 1731.

I want to extend my personal appreciation to IBEW Local 2033 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. Kevin Moore, Treasurer
Ms. Shannon Hall, Vice President