



March 27, 2023

Ms. Kacy Stoneburg, President  
Fire Fighters Local I-60  
60 E Rio Salado Parkway  
Tempe, AZ 85281

Case Number: 520-6025469( )  
LM Number: 542990

Dear Ms. Stoneburg:

This office has recently completed an audit of Fire Fighters Local I-60 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 Philip Elias, and Secretary Beverly Shine on March 28, 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.

#### Record Keeping 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 I-60's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local I-60 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Vice President Jerry Toigo and former President Jacob Mayer totaling at least \$96.53. For example, Vice President Toigo did not maintain documentation for the purchase of retirement plaques totaling \$81.53.

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. Meal Expenses

Local I-60 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$542.89. The union must maintain itemized receipts provided by restaurants to officers and employees. 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 I-60 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, 42 meal charges totaling \$4,010.22 incurred by former President Kevin Burkhart, former President Jacob Mayer, Vice President Ryan Thompson, former Secretary Kacy Stoneburg, Vice President Christopher Caronna, former Treasurer Diana Overton, and Vice President Jerry Toigo did not include adequate descriptive information on meal receipts. 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.

3. Reimbursed Auto Expenses

Former Trustee Beverly Shine, Business Agent Clint McSorley, Trustee Jeffery Sinclair, Sargent At Arms Kyle Pitcock, former Secretary Kacy Stoneburg, and former Treasurer Diana Overton who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$673.50 during 2021. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local I-60 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 I-60 for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away shirts, pins, patches, and hydro flasks totaling more than \$30,534.22 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Disbursements to Officers and Employees

Local I-60 incorrectly reported some reimbursements to officers and employees totaling at least \$378.00 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees).

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local I-60 file an amended LM report for 2021 to correct the deficient items, but Local I-60 has agreed to properly report the deficient items on all future reports it files with OLMS.

### Other Issues

1. Expense Policy

As I discussed during the exit interview with I-60, the audit revealed that Local I-60 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and

Ms. Kacy Stoneburg

March 27, 2023

Page 4 of 4

the types of expenses that may be charged to union credit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Fire Fighters Local I-60 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: Mr. Kevin A. Burkhart, Assistant to the President  
Mr. Philip J. Elias, Treasurer