



December 28, 2023

Mr. Chris Shay, Business Manager Financial Secretary  
IUEC Local 33  
2000 Walker Street  
Suite M  
Des Moines, IA 50317-5201

Case Number: 510-6027620( )  
LM Number: 037474

Dear Mr. Shay:

This office has recently completed an audit of IUEC Local 33 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 November 17, 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 rule, labor organizations must maintain all records used or received during 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 33's 2023 records revealed the following recordkeeping violations:

#### 1. General Reimbursed and Credit Card Expenses

Local 33 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the business manager/financial secretary totaling at least \$1,688. For

example, on four occasions the union did not maintain a receipt (on each occasion, the union did maintain a handwritten note explaining the charge and indicating the receipt was lost) and on eleven occasions an itemized meal receipt was maintained, but the union related business explaining and clarifying the meal was not kept.

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.

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. Receipt Record

The local received a \$2,390.96 refund check from Local IUEC 125A after donating to the local for a strike. The local did not keep the refund explanation letter. 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.

## 3. Receipt Dates not Recorded

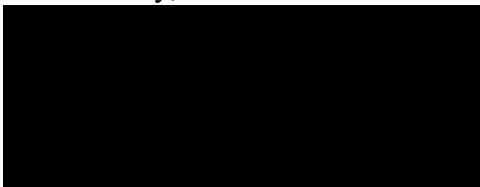
Entries in Local 33's receipts journal typically reflect the date the union received and then deposited money. However, on two occasions, the date money was received was not accurately recorded. Union records show that the local collected two checks for \$60 each for the golf outing on July 23, 2022, but the checks were actually received on an earlier date.

Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-2. The LM-2 instructions for Statement B state that the labor organization must record receipts when it receives money and disbursements when it pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it received them.

Based on your assurance that Local 33 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 IUEC Local 33 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