



January 4, 2024

Ms. Selina Hayes, President
International Brotherhood of Electrical Workers (IBEW)
Local 1317
3171 Ellisville Blvd
Laurel, MS 39442

Case Number: 420-6027622
LM Number: 516267

Dear Ms. Hayes:

This office has recently completed an audit of IBEW Local 1317 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 Krystal Harvey on January 5, 2024, 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 1317's 2022 records revealed the following recordkeeping violations:

1. Lost Wages

Local 1317 did not retain adequate documentation for lost wage reimbursement payments to President Selina Hayes totaling at least \$492.32. 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.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 1317 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.

2. Disposition of Property

Local 1317 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, 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.

3. Failure to Record Receipts

Local 1317 did not maintain any receipts records. 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.

4. Receipt Dates not Recorded

Local 1317 did not maintain a receipts journal and therefore, did not reflect the date the union deposited money, or the date money was received. 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-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually 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 actually received them.

5. Failure to Record Disbursements

Local 1317 did not maintain any disbursements records. Union disbursements records must include an adequate identification of all money the union disburses. The records should show the date and amount disbursed, and what the expense was.

6. Information not Recorded in Meeting Minutes

During the audit, President Selina Hayes advised OLMS that union officers do not receive pay/compensation in lieu of unused vacation. However, Hayes received a \$1,950, "anniversary check." The meeting minutes do not contain any reference to an approval for an anniversary check or payout of unused vacation. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

The local's meeting minutes did not contain specific expense approvals or authorizations. Any expense being made to an individual should list that individual's name. For example, Joseph Hayes provides lawn services for the local, but in the local's meeting minutes it states, "\$100 to the lawn man." In the future, Local 1317 should record specific approval for disbursements and expenses.

Based on your assurance that Local 1317 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 1317 for the fiscal year ended June 30, 2022, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 1317 did not include some reimbursements to officers totaling at least \$6,702.15, in the amounts reported Item 24 (All Officers and Disbursements to Officers).

Item 24(D) for President Selina Hayes should read \$18,398.82. Item 24(E) for Hayes should read \$3,978.33. Item 24(D) for Treasurer Krystal Harvey should read \$50. Item 24(E) for Harvey should read \$50.

The union must report most direct disbursements to Local 1317 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. Disbursements to Employees

Local 1317 did not include disbursements to employees in Item 46 of the LM-3. Item 46 should include disbursements made to Raziah Rambo, President Hayes' secretary, and the total amounts of payments to her or on her behalf, \$864.46.

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 1317 amended its constitution and bylaws in 2019, but did not file a copy with its LM report for that year.

Local 1317 has now filed a copy of its constitution and bylaws.

Local 1317 must file an amended Form LM-3 for the fiscal year ended June 30, 2022, 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 January 5, 2024. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Violations

The audit disclosed the following other violation(s):

1. Maintaining Invoices/Bills

Check number 1421, written to President Selina Hayes which reads, "Edward Hayes (maintenance on building)," had no supporting documentation or meeting minutes reflecting that this was an authorized or approved expense. Additionally, it was reported that the president cashed this check for Edward Hayes; however, there was no record indicating that Mr. Hayes received the payment.

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. Record of Used and Unused Vacation

As noted above, President Hayes received a \$1,950 unused vacation payout. However, the local did not maintain a record of officer's used and unused vacation, or the rate of pay for unused vacation time. The local also did not maintain any records to verify that Hayes was entitled to this payout.

I want to extend my personal appreciation to IBEW 1317 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and

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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]

cc: Ms. Krystal Harvey, Treasurer