



February 28, 2014

Mr. Chris M. Gulbrandson, President  
Electrical Workers IBEW AFL-CIO  
Wisconsin State Conference  
3303 S. 103rd Street  
Milwaukee, WI 53227

Case Number: 320-6000391 [REDACTED]  
LM Number: 540834

Dear Mr. Gulbrandson:

This office has recently completed an audit of Electrical Workers IBEW AFL-CIO Wisconsin State Conference (State Conference) 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 Secretary Treasurer John Bzdawka and Bookkeeper Teresa Griggs on February 25, 2014, 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 the State Conference's 2013 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

The State Conference did not retain adequate documentation for reimbursed expenses incurred by Lobbyist Dave Boetcher totaling at least \$4,700.

Background

During the audit year, IBEW Local 159 President Dave Boetcher was employed part time by the State Conference as a lobbyist. The State Conference paid Mr. Boetcher's regular hourly salary for hours he spent lobbying on behalf of the IBEW in Wisconsin and paid all expenses he incurred while performing lobbying services. However, the State Conference did not make any direct payments to Mr. Boetcher. Instead Local 159 continued to pay Mr. Boetcher's full salary and for all lobbying related expenses he incurred, and the State Conference reimbursed Local 159 for the lobbying related wages and expenses it paid to Mr. Boetcher upon receipt of a monthly invoice from Local 159.

Mr. Boetcher provided to Local 159 a monthly invoice for his wages and expenses related to the lobbying services he provided, and his invoice included backup documentation for the lobbying related hours he worked and the lobbying related expenses he incurred. This documentation included a daily summary of the hours he did lobbying related work, mileage logs, and receipts for expenses he incurred related to lobbying including meals, parking, and other miscellaneous expenses. Local 159 then created an invoice based upon the information provided by Mr. Boetcher, and submitted it to the State Conference without any of the backup documentation that had been attached to Mr. Boetcher's invoice to Local 159. For example, Local 159 submitted invoice number 1126, dated September 14, 2012 to the State Conference for "Dave Boetcher's Expenses." The amount billed to the State Conference through invoice 1126 was \$267.60. This invoice was subsequently paid by the State Conference with check number [REDACTED] dated October 25, 2012. However, none of the receipts for the expenses incurred by Mr. Boetcher were submitted to or retained by the State Conference. A review of the backup documentation obtained by OLMS from Local 159 for this invoice revealed that the State Conference was billed for items such as a laptop battery, parking expenses, and meeting refreshments. The State Conference must maintain adequate backup documentation for all disbursements.

State Conference Secretary Treasurer John Bzdawka has informed OLMS that the State Conference has signed an agreement with an independent lobbying firm for lobbying services for the current fiscal year and will be paying a set fee for unlimited lobbying services. Mr. Bzdawka also advised that if the union ever decides to directly employ a lobbyist in the future, it will maintain all required backup documentation for any expenses paid to or on behalf of the lobbyist.

2. Lack of Salary Authorization

The State Conference did not maintain records to verify that the payments reported for Mr. Boetcher's salary in Item 46 (To Employees (less deductions)) was the authorized amount

and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salaries authorized by the entity or individual in the union with the authority to establish salaries

3. Receipt Dates Not Recorded

Entries in the State Council's QuickBooks accounting records reflect the date the union deposited money, but not the date that money was received. No other records that identified the union's receipts was retained. 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.

Based on your assurance that the State Conference 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 Electrical Workers IBEW AFL-CIO Wisconsin State Conference for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter is passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

  
Investigator

cc: Mr. John Bzdawka, Secretary Treasurer