



March 14, 2018

Adrian De Jager, Treasurer
IBEW Local 360
16174 Via Catherine
San Lorenzo, CA 94580

Case Number: 530-6012165
LM Number: 037883

Dear Adrian De Jager:

This office has recently completed an audit of IBEW Local 360 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 Business Rep Sergei Ivanoff on December 12, 2017, 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 360's 2016 records revealed the following recordkeeping violations:

1. General Reimbursed

Local 360 did not maintain any meeting minutes or retain adequate documentation for reimbursed expenses incurred by any of the officers totaling at least \$2,247.00. For example, Local 360 Business Rep Sergei Ivanoff received a check in the amount of \$1,603.50 for travel expenses related to the System Council 7 convention. System Council

7 Treasurer Joseph Novak stated that System Council 7 paid Ivanoff \$1,815.20 for travel expenses related to the same conference. The local did not maintain any records to substantiate the payment of \$1,603.50. However, a review of actual travel costs shows that Ivanoff was inadvertently overpaid approximately \$800.00 for his incurred travel expenses. During the exit interview Financial Secretary Adrian de Jager and Ivanoff agreed they would review the travel costs to determine the amount of the overpayment and Ivanoff would reimburse these funds to the local.

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.

Based on your assurance that Local 360 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 / LM-3) filed by Local 360 for the fiscal year ended December 31, 2016, was deficient in the following areas:

1. 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 360 amended its constitution and bylaws in 2001, but did not file a copy with its LM report for that year. Local 360 has now filed a copy of its bylaws.

2. Lost Wages

Local 360 did not retain adequate documentation for lost wage reimbursement payments totaling approximately \$13,466.00 to any of the officers. 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.

3. Disbursements to Officers and Employees (LM-2)

Local 360 did not include some reimbursements to officers and employees / payments to officers and employees totaling at least \$2,836.42 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.

Local 360 has filed an amended LM report for 2016 to correct the deficient items and has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to IBEW Local 360 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. Arturo Perez, President