



January 12, 2021

Mr. Shaun T. Hoobler, President
Electrical Workers IBEW AFL-CIO LU 708
PO Box 11300
Denver, CO 80211-0300

Case Number: 510-6020184
LM Number: 032578

Dear Mr. Hoobler:

This office has recently completed an audit of Electrical Workers IBEW AFL-CIO LU 708 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 President Shaun Hoobler, Treasurer Brian Holmes, and Financial Secretary Raymond Archuletta on December 22, 2020, 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 708's 2018 and 2019 records revealed the following recordkeeping violations:

1. General Reimbursed and Debit Card Expenses

Local 708 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by union officers totaling at least \$83.27 during the audit period. For example, receipts were not retained for reimbursed union expenses to several officers for office supplies.

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 708 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, the lunches attended by the quarterly audit committee did not consistently have receipts that indicated both the union purpose and a full list of attendees. 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. Records Retention Requirements

Local 708 failed to maintain financial records for five years as required by the LMRDA. As noted above, Section 206 of the LMRDA requires that labor organizations maintain adequate records for at least five years.

4. Receipt Records in Union Books

Local 708's record of funds received does not match deposits to the union's account. For example, member dues receipts totaling \$192.92 were recorded in the union records but were not deposited into the union's bank account. Financial Secretary Archuletta stated that the amount reported as received was a mistake and a clerical error, and that it should actually match the deposits.

Based on your assurance that Local 708 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-3s filed by Local 708 for the fiscal years ended December 31, 2018 and December 31, 2019, were deficient in the following area:

1. All Officers and Disbursements to Officers

Local 708 did not report the names of some officers in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. If an

officer held more than one position during the reporting period, list each additional position and the dates on which the officer held the position in Item 56 (Additional Information).

Local 708 did not properly report salary for some officers nor did it include some reimbursements to officers in Item 24 (All Officers and Disbursements to Officers) on the LM-3. It appears that the local may have erroneously reported these payments in Item 48 (Office and Administrative Expenses) and/or in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 708 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).

I am not requiring that Local 708 file an amended LM report for 2018 or 2019 to correct the deficient items, but Local 708 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Electrical Workers IBEW AFL-CIO LU 708 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. Brian A. Holmes, Treasurer
Mr. Raymond J. Archuletta, Financial Secretary