



February 15, 2013

Mr. Sean J. Seyferth, Business Manager
International Brotherhood of Electrical Workers
Local 481
1828 North Meridian Street
Suite 205
Indianapolis, IN 46202

Case Number: 350-01918 [REDACTED]
LM Number: 032086

Dear Mr. Seyferth:

The U.S. Department of Labor, Office of Labor-Management Standards (OLMS) recently completed an audit of IBEW Local 481 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, Tara Grubbs, Neil Gath and Bob Cann on February 14, 2013, 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 was limited in scope.

Recordkeeping Violations

On the whole, Local 481's recordkeeping practices were commendable and in compliance with the LMRDA. However, as discussed during the exit interview, there were some exceptions and areas where recordkeeping practices could be improved.

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 481's 2012 records revealed the following:

Credit Card Charges

Local 481 did not retain adequate documentation for all credit card charges incurred by officers and agents. Initially, the CAP revealed in some instances that explanatory information was not recorded about the business nature of charges or the identities of those involved; however, Local 481 supplied that information during the CAP. Also, some credit card receipts were missing; although, Local 481 supplied explanatory information about the business nature of those transactions. As we discussed during the exit interview, for transactions such as parking meter fees or tolls when receipts are not issued, union officials should record explanatory information regarding the business nature of those transactions on expense reports or some other similar document.

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.

During the exit interview and subsequently thereafter by correspondence, you affirmed that Local 481 will implement appropriate changes to strengthen recordkeeping practices. OLMS accepts your assurances and considers this matter resolved.

Thank you and your staff at Local 481 for the cooperation and courtesy extended to me. Please share this letter with Local 481's other officers and maintain it for those who hold office in the future. If we can be of assistance, please call me at [REDACTED], or you can call our Cincinnati District Office at (513) 684-6840.

Sincerely,

[REDACTED]
Senior Investigator