



August 4, 2016

Mr. Ronald DeFoor, Treasurer  
Electrical Workers Local 2033  
PO Box 2437  
Pine Bluff, AR 71603-2437

Case Number: 420-6007517 [REDACTED]  
LM Number: 025363

Dear Mr. DeFoor:

This office has recently completed an audit of Electrical Workers Local 2033 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 Financial Secretary Jackie Kelce on July 15, 2016, 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 Violation

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 2033's 2015 records revealed the following recordkeeping violation:

#### Cancelled Checks

Local 2033 does not receive a cancelled check or check image from their financial institution. The treasurer stated that the cost to receive one cancelled check is \$6.00. Local 2033 will discuss issue with financial institution to find a reasonable solution.

Based on your assurance that Local 2033 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-3 filed by Local 2033 for the fiscal year ended December 31, 2015, was deficient in the following areas:

1. Payments for Rent

Local 2033 did not report at least \$911 in disbursements for rent. These disbursements should have been reported in Item 48 (Office and Administrative Expense).

Enter the total disbursements for ordinary office and administrative expenses, for example, rent, utilities, office supplies, postage, subscriptions, and fidelity bonds in Item 48 (Office and Administrative Expense).

2. Payments to Taxes

Local 2033 did not report at least \$2,057 in disbursement for taxes assessed and taxes withheld from the salaries and lost time of its officers and employees in Item 48 (Office and Administrative Expense) and/or Item 54 (Other Disbursements).

Enter all taxes assessed against and paid by your organization including your organizations FICA taxes as an employer in Item 48 (Office and Administrative Expense). Disbursements for the transmittal of taxes withheld from the salaries or lost time from officers and employees must be reported in Item 54 (Other Disbursements).

3. Contributions, Gifts and Grants

Local 2033 disbursed at least \$367 for gifts and donations. All disbursements for gift and donations should be reported in Item 51 (Contributions, Gifts, and Grants).

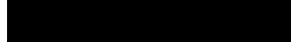
Enter the total of all disbursements for contributions, gifts and grants made by your organizations in Item 51 (Contributions, Gifts, and Grants).

Based on your assurance that Local 2033 will properly report these disbursements in the future, I am not requiring Local 2033 to file an amended LM report for 2015 to correct the deficient items.

I want to extend my personal appreciation to Electrical Workers Local 2033 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,



Senior Investigator

cc: Mr. Warren Bogy, President  
Mr. Jackie Kelce, Financial Secretary