



June 21, 2019

Mr. Brian Pennington, Treasurer
IBEW LU 750
5300 Hoover
Pine Bluff, AR 71602

Case Number: 420-6015713 [REDACTED]
LM Number: 031614

Dear Mr. Pennington:

This office has recently completed an audit of IBEW LU 750 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, President Chris Bodiford, and Business Manager Kenneth Downs on May 23, 2019, 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 IBEW LU 750's 2018 records revealed the following recordkeeping violation:

General Expense

IBEW LU 750 did not retain adequate documentation for check [REDACTED] totaling \$272.66 to Remembrance Bibles. The union has agreed to maintain all supporting documents for all union disbursements.

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 IBEW LU 750 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 LM-3 filed by IBEW LU 750 for the fiscal year ended December 31, 2018, was deficient in the following areas:

1. Disbursements to Officers and Employees

IBEW LU 750 did not include some travel and reimbursements to officers totaling at least \$5,127.91 to Brian Pennington, Chris Bodiford, and Kenneth Downs in the amounts reported Item 24 (All Officers and Disbursements to Officers).

IBEW LU 750 also did not report the names of the Executive Board Members at Large Jeff Free, Justin Matheny, Michael Stimson, Mike Hollowell, Kenny Dunn, and Randy Hutcheson and the total amounts of \$1,200.00 disbursed to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all members who held office during the year, regardless of whether they received any payments from the union.

IBEW LU 750 over-reported salary payments totaling \$1,018.87 to Treasurer Brian Pennington, President Chris Bodiford, Recording Secretary Sherri Newcomb, and Business Manager Kenneth Downs.

Lost time reimbursements to Entergy totaling \$13,895.71 were not properly on the LM-3 Report. Those lost time reimbursement disbursements are considered "indirect disbursements" to officers and must be reported on Item 24 of the LM-3 Report.

Travel reimbursements totaling \$712.80 to Steward Tommy Dutton was not properly reported. Those travel reimbursements should be reported on Item 46 (To Employees).

The union must report most direct disbursements to IBEW LU 750 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).

2. CPA Signed the LM-3 Report

CPA Stephen Address signed the LM-3 Report as the treasurer and president. The president and treasurer or the corresponding principal officers of the labor organization are required to sign the Form LM-3 Report, and are personally responsible for its filing and accuracy. IBEW LU 750 has agreed to file an amended report with the signatures of the president and treasurer.

IBEW LU 750 must file an amended Form LM-3 for the fiscal year ended December 31, 2018, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than July 10, 2019. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issue

Recording Secretary Sherri Newcomb received one additional payroll check totaling \$47.66 during the audit year. The union will omit one of her payroll checks for 2019.

I want to extend my personal appreciation to IBEW LU 750 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

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Chris Bodiford, President
Mr. Kenneth Downs, Business Manager
Ms. Sherri Newcomb, Recording Secretary
Mr. Jeff Free, Executive Board Member at Large
Mr. Justin Matheny, Executive Board Member at Large
Mr. Michael Stimson, Executive Board Member at Large
Mr. Mike Hollowell, Executive Board Member at Large
Mr. Randy Hutcheson, Executive Board Member at Large
Mr. Kenny Dunn, Executive Board Member at Large