



May 28, 2013

Mr. Mark Douglas Sr., Business Manager  
International Brotherhood of Electrical Workers, Local 306  
2650 South Main Street  
Akron, OH 44319

Case Number: 360-16281-  
LM Number: 007531

Dear Mr. Douglas:

This office has recently completed an audit of IBEW Local 306 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 and Sharon Huddleston on May 16, 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 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 306's 2011 records revealed the following recordkeeping violations:

#### General Reimbursed and Credit Card Expenses

Local 306 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers. For example, some credit card statements did not include receipts for all purchases.

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 306 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violations

##### 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 306 amended its bylaws in 1999, but did not file a copy with its LM report for that year.

I am not requiring that Local 306 file an amended LM report, but Local 306 has agreed to properly report changes in its constitution or bylaws on all future reports it files with OLMS.

#### Other Issues

##### T-Shirt Sales

Local 306 does not maintain an inventory of t-shirts it purchased, sold, or gave away. There are currently no comprehensive records to account for sales of t-shirts and other merchandise.

Local 306 agreed to establish a separate account category in their accounting software to accommodate t-shirt and other merchandise inventory, purchases, and sales.

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I want to extend my personal appreciation to IBEW Local 306 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. Michael Kammer, President