



August 6, 2015

Mr. Jeffrey Sondervan, President
Electrical Workers, IBEW AFL-CIO
Local Union 36
595 Blossom Road, Suite 303
Rochester, NY 14610

Case Number: 110-6004204()
LM Number: 543-171

Dear Mr. Sondervan:

This office has recently completed an audit of Electrical Workers, IBEW AFL-CIO 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 Business Representative/Administrative Support Judy Gallipeau and you on July 28, 2015, 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.

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-2) filed by Local 36 for the fiscal year ended December 31, 2014, was deficient in the following areas:

1. Disbursements to Officers and Employees (LM-2)

Local 36 did not properly report payments to officers and did not include some reimbursements to employees totaling at least \$7,378 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments elsewhere or did not understand the requirements of Schedule 11, Column F (Disbursements for Official Business). The union reported the entire amount of transactions charged to the union's credit card next to the officer's name in which it was assigned. Some of these charges, for example the purchase of stamps, or hotel and rental car expenses, should be reported as appropriate in Schedules 15-19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a

credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. Deductions and Withholding Taxes

Local 36 did not properly report on Schedule 11 and Schedule 12 the total amount of withheld taxes and other payroll deductions during the period. In addition, disbursements for the transmittal of withheld taxes, payroll deductions and other deductions must be reported on Statement B (Receipts and Disbursements) in the appropriate category, i.e. Direct Taxes, Benefits, etc.

3. 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 36 amended its constitution and bylaws in 2014, but did not file a copy with its LM report for that year. Changes were also made to the union's bylaws in 2015.

Local 36 has filed a paper copy of its constitution and bylaws. Local 36 will report the change in Item 18 of the LM-2 for its 2015 report and submit an electronic copy.

I want to extend my personal appreciation to IBEW Local Union 36 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,

Jennifer L. Rudewicz
Supervisory Investigator

cc: Ms. Judy Gallipeau, Business Rep
Ms. Kathleen Albrecht, Accountant