



March 27, 2015

James Kravec, Business Manager
IBEW Local 1377
18051 Jefferson Pkwy
Middleburg Heights, OH 44130-3460

Case Number: 350-6003649()
LM Number: 022666

Dear James Kravec:

This office has recently completed an audit of IBEW Local 1377 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 Office Manager Deb Taylor on March 19, 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 1377 for the fiscal year ended December 31, 2014, was deficient in that:

1. Disbursements to Officers and Employees

Local 1377 reported the salary of officers in Schedule 11 (All Officers and Disbursements to Officers) under Column E (Allowances), instead of Column D (Gross Salary).

2. Loans to Officers

Past practice has been to report taxes paid on the business manager's pension fund as a loan to this officer. As this does not constitute an actual loan, the reporting of these payments should be done under Item 67 (Withholding Taxes and Payroll Deductions) of the LM-2 Report.

Local 1377 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to IBEW Local 1377 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: Dale Koesel, President