

**U.S. Department of Labor**

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March 5, 2009

Mr. Dan Hammel, Business Manager  
Electrical Workers AFL-CIO  
Local 704  
1610 Garfield Avenue  
Dubuque, IA 52001

LM File Number 027-517  
Case Number: [REDACTED]

Dear Mr. Hammel:

This office has recently completed an audit of IBEW Local 704 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 Linda Auderer on February 26, 2009, 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 704's 2007 records revealed the following recordkeeping violation:

#### Credit Card Expenses

Local 704 did not retain adequate documentation for credit card expenses incurred by you totaling at least \$5,610.39. For example, various charges for airfare and meals did not have adequate back-up documentation. Also, the following charges did not have adequate back-up documentation: a \$124.05 charge on January 27, 2007 to Ron Aubrey - No Dog Offset; a \$275.56 charge on May 8, 2007 to Nexxt Café, Miami Beach; and a \$303.81 charge and a \$267.49 charge on August 17, 2007 to Staples and Best Buy, respectively.

As previously 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 704 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### Reporting Violation

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 704 for fiscal year ending December 31, 2007 was deficient in the following area:

#### Disbursements to Officers

Local 704 did not include some reimbursements to you totaling at least \$6,888.85 in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedule 11 (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 Schedule 11 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 Schedule 11 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 704 file an amended LM report for 2007 to correct the deficient items, but Local 704 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 704 for the cooperation and courtesy extended during this compliance audit. I 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: Sean Leppert, President