



January 24, 2024

Mr. William Niesman, Business Manager
IBEW Local 9

Case Number: 310-6027410()
LM Number: 015919

Dear Mr. Niesman:

This office has recently completed an audit of IBEW Local 9 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 Mary Beth Kaczmarek on December 12, 2023, 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 9's 2022 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

Union officers and employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$300.00 during 2022. The union must maintain records which identify the

dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

2. Disposition of Property

Local 9 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

Based on your assurance that Local 9 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 IBEW Local 9 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Reporting of Investments

The OLMS audit revealed the union sold and purchased investments within their investment fund accounts during the audit year. However, the proceeds from the sale of investments were promptly used to purchase new investments which ultimately remained in the investment fund accounts.

Local 9 failed to report the sold and purchased investments of \$1,361,254 in the “Less Reinvestments” lines on Schedule 3 – Sale of Investments and Schedule 4 – Purchases of Investments, therefore, overstating receipts reported on Line 43 – Sale of Investments and overstating disbursements reported on Statement B – Receipts and Disbursements, Line 60 – Purchase of Investments and Fixed Assets.

The LM-2 Instructions for Schedule 3 state the total amount from the sale or redemption of U.S. Treasury securities, marketable securities, or other investments that are promptly reinvested (i.e., “rolled over”) in U.S. Treasury securities, marketable securities, or other investments during the reporting period should be reported on the “Less Reinvestments” line.

2. 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 9 amended its constitution and bylaws in 2019 but did not file a copy with its LM report for that year.

Local 9 must file an amended Form LM-2 for the fiscal year ended December 31, 2022, 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-2 must be filed no later than February 16, 2024. Before filing, review the report thoroughly to be sure it is complete and accurate. As agreed, Local 9 will file a copy of its current constitution and bylaws with OLMS along with the amended report.

I want to extend my personal appreciation to IBEW Local 9 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 solid black rectangular box redacting the signature of the sender.

Senior Investigator

cc: Mr. Bryan Nieciak, Financial Secretary