

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
Newark Resident Investigator Office  
Room 204  
190 Middlesex-Essex Turnpike  
Iselin, New Jersey 08830  
(732) 750-5661 / FAX: (732) 750-5963



November 28, 2005

Mr. Frederick Potter, President  
International Brotherhood of Teamsters, AFL-CIO  
Local 469  
Suite 7  
3400 Executive Plaza  
Hazlet, New Jersey 07730

Re:

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Dear Mr. Potter:

This office has recently completed an audit of IBT Local 469 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, as Amended (LMRDA). As discussed during the exit interview with you on November 28, 2005, 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.

Fidelity bond coverage is insufficient to meet the requirements of the LMRDA. Act Section 502 (29 U.S.C. 502) mandates that every officer, agent, shop steward, or other representative or employee of any labor organization shall be bonded to provide protection against loss by reason of acts of fraud or dishonesty on his part directly or through connivance with others. The bond for each person shall be in an amount not less than ten per centum of funds handled by him and his predecessors, if any, during the preceding fiscal year, but in no case more than \$500,000. Based upon the financial information contained in the LM-2 filings for year ended March 31 2004, the minimum amount of coverage is \$173,504 for all officers and employees of the labor organization handling funds of Local 469. There should be no deductible, as the coverage must be for first dollar loss. Coverage should be with an acceptable surety as listed in U.S. Treasury Circular Number 570.

Kindly provide documentary proof that the above has been remedied. You can forward this material to me at the above address. It should be provided no later than December 28, 2005.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

FCU