

U.S. Department of Labor

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March 23, 2010 Ms. Debbie Duran, Financial Secretary
Electrical Workers AFL-CIO IBEW Local Union 1988
5212 Foxbriar Court, NW
Albuquerque, NM 87120

LM File Number: 037-445
Case Number: [REDACTED]

Dear Ms. Duran:

This office has recently completed an audit of Electrical Workers AFL-CIO IBEW Local Union 1988 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 President James Jaramillo on March 5, 2010, 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 Local Union 1988's 2009 records disclosed the following recordkeeping violation.

General Reimbursed and Credit Card Expenses

Local Union 1988 had not retained adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$2,790. For example, the local had no documentation for airfare for your travel to Washington, DC in September 2008 and had to reconstruct documentation for other officers' travel expenses during the audit.

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 Union 1988 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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-3 filed by Local Union 1988 for fiscal year ending June 30, 2009, was deficient in the following areas:

Disbursements to Officers (LM-3)

Local Union 1988 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local Union 1988 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Local Union 1988 must file an amended Form LM-3 for fiscal year ending June 30, 2009, to correct the deficient items discussed above. I provided you with a blank form and instructions, advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov), and have included an additional blank form and instructions. The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than April 6, 2010. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation(s):

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local Union 1988's officers and employees are currently bonded for \$5,000, but they must be bonded for at least \$5,823. Local Union 1988 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 6, 2010.

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I want to extend my personal appreciation to Electrical Workers AFL-CIO IBEW Local Union 1988 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: Mr. James Jaramillo, President

Enclosure