

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 1379's 2005 records revealed the following recordkeeping violations:

Union officers and employees failed to maintain adequate documentation for reimbursed expenses, and for expenses charged to personal credit cards. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded. Complete billing statements for phone service charged to the union must be maintained, not just the page showing the amount due.

As agreed, provided that Local 1379 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Local 1379 failed to include some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in Item 48 (Office and Administrative Expense).

All direct disbursements to Local 1379 officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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).

I am not requiring that Local 1379 file an amended LM report for 2005 to correct the deficient items, but as agreed, Local 1379 will properly report the deficient items on all future reports filed with this agency.

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During the audit, you advised that President Eric Henderson signs blank checks in advance. Your international's constitution requires that all checks be signed by the president and treasurer. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, countersigning a blank check in advance does not attest to the authenticity of a completed check, and completely circumvents and undermines the whole purpose of the countersignature requirement. I recommend that Local 1379 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to 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