



May 24, 2005

Bruce Parment, Business Manager  
Electrical Workers IBEW, Local #106  
322 James Avenue  
Jamestown, NY 14701

Re: 2

Dear Mr. Parment:

This office has completed an audit of Electrical Workers IBEW, Local #106 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 discussed during the exit interview with you and the union's treasurer, Mike Eaker, on May 5, 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.

The CAP disclosed the following:

- In violation of Section 502 the union was inadequately bonded. Proper and adequate bonding coverage was obtained by your organization of \$150,000. Therefore, no further action will be taken regarding this issue at this time. However, you may want to review this coverage at times to see if there is additional needed protection requiring an increase.
- It was suggested that you combine the money maintained in a separate Flower Fund with the general fund account to save on the bank fees. A separate ledger could be maintained accounting for the monies allocated to the Flower Fund transactions.
- It was also suggested that you record in the membership meeting minutes the name of the winner and amount of the regular 50/50 raffles. Also, the monies

collected should all be deposited into the union's account with a check drawn on the same account to the winner for their share. This would allow for proper recordkeeping of this activity.

- The union was also advised they need to maintain an inventory of purchases, sales, and gifts of union apparel for verification of activities. The union apparel is considered union assets and proper recordkeeping must be maintained. As we discussed you are establishing such a recordkeeping document for the future.

I want to extend my personal appreciation for you 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,

700

Senior Investigator