



November 22, 2005

Mr. Matthew Payne, Treasurer
IBEW Local 1379
P.O. Box 772
Bettendorf, Iowa 52722

Dear Mr. Payne:

This office has recently completed an audit of IBEW Local 1379 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 on November 17, 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 a violation of LMRDA Section 201(b), because the LM-3 report filed by Local 1379 for fiscal year ending December 31, 2004 was deficient in the following area:

The start and end of year cash figures (Items 25a and 25b) did not include the union's savings account and certificates of deposit. Local 1379 erroneously reported funds in certificates of deposit and the savings account balance as investments. The audit revealed that your local did not own any investments during 2004. For LM reporting purposes, the funds in the local's savings account and certificates of deposit should be reported as cash. Furthermore, the purchase or redemption of a certificate of deposit is simply a transfer of cash from one account to the other and therefore should not be reported either as a receipt or disbursement.

As discussed during the closing interview, I am not requiring that you file an amended LM-3 report for 2004 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

The audit also revealed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 1379's officers are currently bonded for \$10,000, but they must be bonded for at least \$10,865. The union should obtain adequate bonding coverage for its officers immediately and provide proof of bonding coverage to this office as soon as possible. Upon receipt of the new bond certificate in the required amount, this matter will be resolved.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

Dennis L. Eckert
District Director

By: Investigator

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