



March 31, 2011

Mr. John W. Winters, Treasurer
Insulators AFL-CIO, Local 13
3647 Gilmore Street
Jacksonville, FL 32205-5484

Case Number: [REDACTED]
LM Number: 014368

Dear Mr. Winters:

This office has recently completed an audit of Insulators AFL-CIO, Local 13 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 March 31, 2011, 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.

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 13 for the fiscal year ended December 31, 2009 was deficient in that it did not report all of the officers and employees.

I am not requiring that Local 13 file an amended LM report for fiscal year 2009 to correct the deficient items, but Local 13 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit also revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be properly bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. An examination of your bond policy with Ullico Casualty Company revealed \$25,000 coverage for Employee Dishonesty for "each occurrence". This is not in compliance with the requirements of the LMRDA because the coverage is per occurrence as opposed to per person. You provided another Certificate of Coverage effective April 1, 2008 from Fidelity and Deposit Company of Maryland, No. 553 13 26-4 for \$20,000 coverage, which is sufficient coverage for fiscal year ending December 31, 2010. However, there was no supporting documentation showing what the policy covered. Please provide documentation showing the policy coverage is per person to fully comply with LMRDA Section 502 by **April 22, 2011**.

Mr. John W. Winters

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I want to extend my personal appreciation to Insulators AFL-CIO, Local 13 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,

A solid black rectangular box used to redact the signature of the sender.

Supervisory Investigator