

**U.S. Department of Labor**

Employment Standards Administration  
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March 16, 2010

Mr. Thomas Tucker, President  
International Brotherhood of Electrical Workers  
Local 1362  
370 Blairs Ferry Road, NE  
Cedar Rapids, IA 52402

LM File Number 020-760  
Case Number: [REDACTED]

Dear Mr. Tucker:

This office has recently completed an audit of Electrical Workers Local 1362 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 Jerry Vuichard on January 15, 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 Violation

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 of Local 1362's 2008 records revealed the following recordkeeping violation:

#### Failure to record Fixed Assets

Local 1362 did not maintain an inventory of fixed assets it possesses, purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 29 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 29.

Based on your assurance that Local 1362 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violation

##### Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 1362 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year.

Local 1362 has now filed a copy of its constitution and bylaws.

#### Other Violations

The audit disclosed the following other violation:

### 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 1362's officers and employees are currently bonded for \$150,000, but they must be bonded for at least \$276,467. This matter has been resolved as Local 1362 obtained adequate bonding coverage for its officers and employees.

I want to extend my personal appreciation to Electrical Workers Local 1362 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: Gerald Vuichard, Business Manager/Financial Secretary