

U.S. Department of Labor

Office of Labor-Management Standards
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September 7, 2005

Plumbers AFL-CIO
Attn: Rodney Fuger, Financial Secretary
P.O. Box 1120
Pocatello, ID 83204-1120

Re:

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Dear Mr. Fuger:

This office has recently completed an audit of Plumbers, Local Union 648 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 Amended (LMRDA). As discussed during the exit interview with you on August 10, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping deficiencies were revealed during the audit of Local Union 648's 2004 records:

Petty Cash

Documentation regarding the balance of the petty cash kept in the office was not maintained.

Officer and Employee Expenses

Union officers and or employees failed to retain adequate documentation for expenses charged to union credit cards. The date, amount, and business purpose of every expense must be recorded on at least one union record. During the audit, it was determined that several receipts for July 2004 were not available.

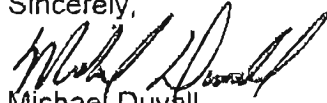
Reporting Violations

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-2) filed by Local 648 for fiscal year ending December 31, 2004 was incorrect. The automobile allowance that is provided to the Business Agent was not properly reported in Schedule 9 (All Officers and Disbursements to Officers).

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I want to extend my personal appreciation for your 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,



Michael Duvall
District Director

cc : Michael Breed, President