



December 1, 2005

Mr. Robert Hall, Business Manager
Asbestos Workers
Local Union 39
957 North Beech Street
Wahoo, Nebraska 68066-1725

Dear Mr. Hall:

This office has recently completed an audit of Asbestos Workers Local Union 39 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provision of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you December 1, 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:

1. Asbestos Workers Local Union 39 filed a deficient LM-2 Report for fiscal year ended December 31, 2004, in violation of LMRDA Section 201 (b). Specifically, the local failed to report in Item 10 that it is vested in a subsidiary organization. I have enclosed instructions on how a labor organization is to report financial information for a subsidiary organization. Since you have agreed to correct this deficiency on future LM Report filings, no further action is anticipated.
2. The bonding coverage currently maintained by Asbestos Workers Local Union 39 does not meet the minimum amount required by LMRDA Section 502. Section 502 requires that the bonding coverage must be of a sufficient amount to cover 10 percent of the amount of funds on hand at the beginning of the last fully completed fiscal year plus the total receipts for that fiscal year. I have enclosed a booklet on the bonding requirements per the LMRDA, along with a bonding computation worksheet that may be used to calculate the proper bonding coverage. Since you have agreed to increase the bond coverage to the required amount, no further action is anticipated. Please provide a copy of the new bond certificate to this office at the address shown above.

I want to extend my personal appreciation to you and your staff for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please call me.

Sincerely,

Dennis L. Eckert
District Director

By: *7CC*
Investigator

cc: Tim Urwin, Financial Secretary
Asbestos Workers Local Union 39
957 North Beech Street
Wahoo, Nebraska 68066-1725