



September 21, 2010

Mr. Douglas Fulp, Business Manager
Insulators Local 132
707 Alakea Street, Room 206
Honolulu, HI 96813

Case Number: [REDACTED]
LM Number: 054642

Dear Mr. Fulp:

This office has recently completed an audit of Insulators Local 132 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, President Bernard Alvarez, and Office Manager Merri-Joy Alvarez on September 20, 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 Violations

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 132's 2008 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 132 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by former Business Manager [REDACTED] totaling at least \$4,963.61, which included the purchase of Christmas Luncheon gifts and door prizes, auto insurance, computer software, and hotel room expenses.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Local 132 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

The audit disclosed the following other violation:

Delinquent Form LM-2

Local 132 has not yet filed the Labor Organization Annual Report, Form LM-2, for fiscal year ending December 31, 2009. The law requires the president and treasurer, or corresponding principal officers, of each labor organization to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of its fiscal year. Therefore, your organization's report is long overdue. You indicated that the report has not been filed because of technical difficulties in submitting the form electronically, and we understand that you have contacted appropriate officials to resolve this issue as soon as possible. The amended Form LM-2 must be electronically filed as soon as possible, but not later than November 5, 2010.

I want to extend my personal appreciation to Insulators Local 132 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,

[REDACTED]
Senior Investigator

cc: Mr. Bernard Alvarez, President