

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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February 5, 2008

Mr. Jimmy Brumfield, Business Manager
Asbestos Workers AFL-CIO
Local Union 21
11580 Reeder Road
Dallas, Texas 75229

LM File Number 016-832
Case Number: [REDACTED]

Dear Mr. Brumfield:

This office has recently completed an audit of Asbestos Workers LU 21 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 yourself on December 27, 2007, 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 21 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. The "Other Disbursements" block was inflated. It included per capita tax payments paid to the international. Those payments should be recorded in the "Per Capita Tax" section.

2. Several items did not contain an appropriate number. Each item must be completed with the appropriate number or "0."
3. All direct disbursements to Local 21 officers and some indirect disbursements made on behalf of its officers must be reported in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Local 21 must file an amended Form LM-3 for fiscal year ending December 31, 2006, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than February 17, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Asbestos Workers LU 21 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