

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Los Angeles District Office  
915 Wilshire Boulevard  
Room 910  
Los Angeles, CA 90017  
(213) 534-6405 Fax:(213) 534-6413



April 10, 2008

Mr. Chuck Huddleston, Business Manager/Financial Secretary  
Electrical Workers IBEW AFL-CIO Local 413  
100 Thomas Road  
Buellton, CA 93427

LM File Number: 008-744  
Case Number: [REDACTED]

Dear Mr. Huddleston:

This office has recently completed an audit of Electrical Workers IBEW AFL-CIO Local 413 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 Office Manager Marilou Rivera on March 14, 2008, 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 audit disclosed the following:

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 413 amended its constitution and bylaws in 2003, but did not file a copy with its LM report for that year. Although this violation was not discussed during the exit interview, I informed you at the beginning of the audit that the 2003 edition of the bylaws had not been received. These bylaws were subsequently obtained during the audit.

Money Market Account Reported As Investments

Local 413 improperly reported the money market account as investments in Statement A (Assets and Liabilities). For LM reporting purposes, a money market account is considered cash (regardless of the term length). The purchase or redemption of a money market account is a transfer of cash from one account to the other and, therefore, should not be reported as a receipt or disbursement. Again, since the union fully reported the money market account as an asset/investment, and since this violation

was not discussed during the exit interview, the union is not required to file an amended report.

### 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 413's 2006 records revealed the following recordkeeping violations:

#### General Reimbursed and Credit Card Expenses

Local 413 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by ██████████ and Chuck Huddleston. For example, there was no gas credit card receipt for fuel purchased by ██████████ on 04/28/2006, and there was no receipt on file for Mr. Huddleston's purchase from Norton-Symantec on 01/16/2006.

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 413 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Electrical Workers IBEW AFL-CIO Local 413 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,

A large black rectangular redaction box covers the signature of the investigator.

Investigator

cc: Mr. Joseph Furino, President