

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
1240 East Ninth Street
Room 831
Cleveland, OH 44199
(216)357-5455 Fax: (216)357-5425



August 11, 2008

Mr. Steve Crum, Business Manager
Electrical Workers AFL-CIO
Local 972
50 Sandhill Rd.
Reno, OH 45773-8002

LM File Number 002-598

Case Number: [REDACTED]

Dear Mr. Crum:

This office has recently completed an audit of Electrical Workers Local 972 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 Secretary Linda Pottneyer on May 29, 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.

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-2 filed by Local 972 for fiscal year ending June 30, 2007, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 972 did not include some reimbursements to officers totaling at least \$10,400 in Schedule 11 (All Officers and Disbursements to Officers). The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report

in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur.

As Local 972 has agreed to properly report these items in the future, I am not requiring that Local 972 file an amended LM report for 2007 to correct the deficient items.

2. Credit Card Charges

Credit card payments were reported as a payment to a single vendor under Schedule 15-Representational Activities. Each credit charge needs to be distributed into the appropriate expenditure categories depending on the purpose of the charge. (LM-2 schedules 15-19).

Based on the assurance that this will be corrected in the future, no additional actions will be taken at this time. Refer to the "Special Procedures for Reporting Credit Card Disbursements" section of the LM-2 instructions, for further guidance.

3. 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 972 amended its bylaws in 1996, but did not file a copy with its LM report for that year.

Since Local 972 is expected to approve amendments to its bylaws in the near future, the local will submit the most current bylaws with its 2008 LM-2, no later than August 29, 2008.

I want to extend my personal appreciation to Electrical Workers Local 972 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