



January 15, 2013

Patric Kim, Secretary Treasurer
International Longshore and Warehouse Union, Local 75
4 Berry Street
San Francisco, CA 94107

Case Number: [REDACTED]
LM Number: 013-583

Dear Mr. Patric Kim:

This office has recently completed an audit of International Longshore and Warehouse Union (ILWU) Local 75 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 President Jason Santana on January 15, 2013, 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 75 for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Disbursements to Officers

Local 75 did not include some direct and indirect salary payments to officers totaling over \$38,000 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 75 officers and some indirect disbursements made on behalf of its officers 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be

reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

ILWU Local 75 filed an amended Form LM-3 report which corrected the deficient items discussed above.

2. Failure to File By-laws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution or by-laws with its LM report when it makes changes to its constitution or by-laws. Local 75 amended its by-laws in 1963, but did not file a copy with its LM report for that year.

ILWU Local 75 has now filed a copy of its by-laws.

I want to extend my personal appreciation to ILWU Local 75 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

cc: Jason Santana, President