

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
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January 11, 2008

Mr. Tim Henkel, President
Deep Sea Fishermen's Union, Pacific Coast District
5215 Ballard Avenue Northwest
Seattle, WA 98107-4809

LM File Number: 022-004
Case Number: [REDACTED]

Dear Mr. Henkel:

This office has recently completed an audit of Deep Sea Fishermen's Union, Pacific Coast District 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 Sara Chapman on September 13, 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-2 filed by Deep Sea Fishermen's Union, Pacific Coast District for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Certificates of Deposit Reported As Investments

Deep Sea Fishermen's Union, Pacific Coast District improperly included the value of certificates of deposit as investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

2. 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. Deep Sea Fishermen's Union, Pacific Coast District amended its constitution and bylaws in 2003, but did not file a copy with its LM report for that year.

Deep Sea Fishermen's Union, Pacific Coast District has now filed a copy of its constitution and bylaws.

I am not requiring that Deep Sea Fishermen's Union, Pacific Coast District file an amended LM report for 2006 to correct the deficient items, but Deep Sea Fishermen's Union, Pacific Coast District has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit disclosed the following other violation(s):

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Deep Sea Fishermen's Union, Pacific Coast District officers and employees are currently bonded for \$50,000, but they must be bonded for at least \$72,000. Deep Sea Fishermen's Union, Pacific Coast District should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than January 25, 2008.

I want to extend my personal appreciation to Deep Sea Fishermen's Union, Pacific Coast District 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: Ms. Sara Chapman, Operations Manager