



February 28, 2020

Mr. John Sparrer, President/Business Manager
National Electronics Systems Technicians Union
1701 Little Orchard Street
San Jose, CA 95125

Case Number: 530-6017506 [REDACTED]
LM Number: 517891

Dear Mr. Sparrer:

This office has recently completed an audit of National Electronics Systems Technicians Union (NESTU) 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 [REDACTED] on February 14, 2020, 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 NESTU for the fiscal year ended December 31, 2018, was deficient in the following areas:

1. Disbursements to Officers

NESTU erroneously reported President/Business Manager John Sparrer's gross salary as \$76,897 in its 2018 LM-3 report when it was actually \$70,120.

The union must report most direct disbursements to NESTU 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).

I am not requiring that NESTU file an amended LM report for 2018 to correct the deficient items. NESTU has agreed to note this error in its 2019 LM report.

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 constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. NESTU's bylaws dated June 11, 1990 were not submitted with its LM report that year.

NESTU has now filed a copy of its constitution and bylaws.

Based on your assurance that NESTU 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 National Electronics Systems Technicians Union 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,

[REDACTED]
[REDACTED]

Investigator

cc: [REDACTED], Treasurer