

U.S. Department of Labor

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October 16, 2007

Mr. Michael Marseguerra, Secretary-Treasurer
Utility Workers Local 511
P.O. Box 51231
Pacific Grove, CA 93950-6231

LM File Number: 511-198
Case Number: [REDACTED]

Dear Mr. Marseguerra:

This office has recently completed an audit of Utility Workers Local 511 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 Tina Haynes on September 28, 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.

The audit disclosed:

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.

During the audit year, the union had no dues checkoff reports showing the names of members and the amount of dues paid to the union. During the audit period, the employer provided a report detailing the date, amount, and name of the member from whom dues were electronically transmitted on their behalf by the employer.

Based on your assurance that Local 511 will request and retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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. Deficiencies were as follows:

Deficient Report

Local 511 and its responsible officers filed a deficient annual financial report for the fiscal year 2004. There was a \$6,852 discrepancy between reported and calculated cash for the period ending December 31, 2004. Union records showed that disbursements were underreported and an amended report was filed to correct the deficiency. An amended report was received on October 15, 2007.

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. Local 511 did not file a copy of its constitution and bylaws.

Local 511 has now filed a copy of its bylaws. In addition, amended bylaws, currently being revised, will be filed with the LM report filed for the year that amended bylaws have been approved.

I want to extend my personal appreciation to Utility Workers Local 511 for the cooperation and courtesy extended during this compliance audit. I strongly

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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]

Investigator

cc: Ms. Tina Haynes, President