

U.S. Department of Labor

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April 25, 2008

Jose Chavez, Financial Secretary-Treasurer
TCU Streamline Lodge 6357
652 South Albertson Avenue
Covina, CA 91723

LM File Number: 037-465
Case Number: [REDACTED]

Dear Mr. Chavez:

This office has recently completed an audit of TCU Streamline Lodge 6357 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 Financial Secretary-Treasurer Jose Chavez on April 11, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Lodge 6357's 2006 records revealed the following recordkeeping violation:

1. Receipts

Lodge 6357 failed to retain adequate documentation for all receipts during the fiscal year. As agreed during the exit interview, Lodge 6357 shall maintain adequate documentation in the future; no additional enforcement action will be taken regarding this violation as a result of providing all the subsequent documentation during the exit interview.

Reporting Violations

The CAP disclosed violations of LMRDA section 201(b) because the Form LM-2 Labor Organization Annual Report (LM-2) for fiscal year ending December 31, 2006 was deficient in the following areas:

1. Payments to Officers and Employees

Lodge 6357 failed to include some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in Item 48 (Office and Administrative Expense).

Direct disbursements to Lodge 6357 officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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).

2. Interest on Certificates of Deposit

Lodge 6357 failed to report the interest of the certificate(s) of deposit as investments in Statement A (Assets and Liabilities). For LM reporting purposes, a certificate of deposit is considered cash (regardless of the term length). The purchase or redemption of a certificate of deposit is a transfer of cash from one account to the other and, therefore, should not be reported as a receipt or disbursement. However, the interest accrued throughout the fiscal year should be reported as a cash receipt in Item 41 (Interest & Dividends).

3. Failure to File Bylaw

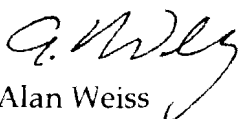
The CAP disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when constitution or bylaw changes are made. Lodge 6357 (1990) bylaws was not filed with its LM report for that year. A copy of Lodge 6357 constitution and bylaws has now been filed.

Other Violations

The audit revealed a violation of the LMRDA section 401(e), which requires that a union must preserve for one year all records pertaining to the election. Lodge 6357 failed to maintain the nomination notice for the most recent regularly held officers' election. As discussed during the exit interview, the officers will make every attempt in the future to maintain all election records for a minimum period of one year.

I want to extend my personal appreciation to TCU Streamline Lodge 6357 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,



Alan Weiss
District Director

cc: Mr. Lonnie Harrison, President/Recording Secretary
Mr. John Senteno, Local Chairman