

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
1240 East Ninth Street
Room 831
Cleveland, OH 44199
(216)357-5455 Fax: (216)357-5425



July 10, 2006

Mr. Eric Richardson, Treasurer
Utility Workers
Local 544
811 Hanover St.
Martins Ferry, OH 43935

Re: Case Number: ~~XXXXXXXXXX~~

Dear Mr. Richardson:

This office has recently completed an audit of Utility Workers Local 544 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 Eric Richardson on June 30, 2006, 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 CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 544 for fiscal year ending June 30, 2005 was deficient in the following areas:

- Local 544 owns computers, printers, cell phones, and FAX machines, yet a value for fixed assets is not being reported on line 29 of the LM-3 report.
- The beginning and ending cash balances reported in Items 25A and 25B were substantially under reported, primarily due to a reliance on erroneous balances carried over from prior years on the union books.

It will be necessary for Local 544 to file amended LM-3 report for 2005 to correct the deficient items discussed above. The necessary reporting forms and instructions are enclosed for your use. The amended report should be submitted to this office at the above address as soon as possible, but no later than August 1, 2006. Before mailing,

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review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

Though not a violation of the LMRDA, it is recommended that the Activities Fund, which currently only requires one signature, be changed to a two signature account. This will help ensure that adequate financial safeguards are in place at your local.

I want to extend my personal appreciation to Utility Workers Local 544 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,

Fred Vaudrin
District Director

cc: Dan DeLong, LU 544 President