



June 30, 2010

Mr. Pasquale Manzi, Executive Secretary-Treasurer  
Building and Construction Trades Council  
555 East Rich Street, Room 217  
Columbus, OH 43215

Case Number: [REDACTED]  
LM Number: 038646

Dear Mr. Manzi:

This office has recently completed an audit of Building and Construction Trades Council 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 Office Manager Janet White on May 27, 2010, 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.

Bonding Violation

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that every officer, agent, shop steward, or other representative or employee of any labor organization (other than a labor organization whose property and annual financial receipts do not exceed \$5,000 in value), or of a trust in which a labor organization is interested, who handles funds or other property therefore shall be bonded to provide protection against loss by reason of acts of fraud or dishonesty on his part directly or through connivance with others.

The Employee Dishonesty rider to the Council's renters' insurance policy appears to not meet the bonding requirements in that the policy covers ERISA funds. In addition, the policy language specifically states that it will not pay for loss or damage "...resulting from any dishonest act or criminal act that you, any of your partners or any officer of a closely held corporation commit whether acting alone or in collusion with other persons," which contradicts the language of Section 502 of the LMRDA.

The Building and Construction Trades Council has agreed to obtain an adequate bonding policy immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than July 12, 2010.

Mr. Pasquale Manzi

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I want to extend my personal appreciation to Building and Construction Trades Council 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: Mr. Mario Ciardelli, President