



SENT VIA EMAIL

November 17, 2022

Mr. Salvatore Giovanniello, Business Manager
Roofers AFL- CIO Local Union 154
370 Vanderbilt Motor Parkway
Hauppauge, NY 11788
[REDACTED]

Case Number: 130-6022805([REDACTED])
LM Number: 032405

Dear Mr. Giovanniello:

This office has recently completed an audit of Roofers AFL- CIO Local Union 154 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 Business Manager Salvatore Giovanniello and Bookkeeper [REDACTED] on November 4, 2022, 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-2 filed by Local 154 for the fiscal year ended December 31, 2020, was deficient in the following areas:

1. Failure to File Bylaws

The audit 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 it makes changes to its constitution or bylaws. Local 154 amended its constitution and bylaws in 2021 but did not file a copy with its LM report for that year. Local 154 provided OLMS with a copy of the latest bylaws dated October 1, 2021 and will upload them onto the OLMS website.

2. Automobile Expenses

Local 154 did not include in the amounts reported in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees) disbursements for the operation and maintenance of union automobiles totaling at least \$3,696.88 in gasoline expense.

The LM-2 instructions provide two methods for reporting automobile-related expenses. The union must report in Schedules 11 and 12 direct and indirect disbursements for the operation and maintenance of union owned and leased vehicles and the operation and maintenance of vehicles owned by union personnel (including gasoline, repairs, and insurance). The union may divide the expenses and report them in Columns F and G based on miles driven for union business (supported by mileage logs) compared with miles driven for personal use.

Alternatively, rather than allocating the expenses between Columns F and G, if 50 percent or more of an officer's or an employee's use of a vehicle was for official business, the union may report all of the expenses relative to the vehicle assigned to the officer or employee in Column F of Schedule 11 or 12 with an explanation in Item 69 (Additional Information) that the officer or employee used the vehicle part of the time for personal business. Similarly, if a vehicle assigned to an officer or employee was used less than 50 percent of the time for business, all the expenses relative to that vehicle may be reported in Column G with an explanation in Item 69 that the officer or employee used the vehicle partly for official business.

Local 154 will make sure to report the automobile expenses on schedule 11 and 12 for future LM Reports.

I am not requiring that Local 154 file an amended LM report for 2020 to correct the deficient items, but Local 154 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. Use of Signature Stamp

During the audit, Business Manager Salvatore advised that it is Local 154's practice for himself and President John Keating to sign all union checks and occasionally stamp the signature of President Keating on union checks. Salvatore indicated that Bookkeeper [REDACTED] reviews the checks before they are issued. Article V, Section 4 (e) of Local 154's bylaws requires that checks be countersigned by the president and treasurer. The two-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check and negates the purpose of the two-signature requirement. OLMS recommends that Local 154 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Roofers AFL- CIO Local Union 154 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]

Investigator

cc: Mr. John Keating, President