



September 25, 2023

Thomas Byrne, Secretary-Treasurer
Laborers Local 310
3250 Euclid Avenue
Cleveland, OH 44115

Case Number: 350-6025405()
LM Number: 042007

Dear Thomas Byrne:

This office has recently completed an audit of Laborers Local 310 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 Attorney Andrew Crampton on September 6, 2023, 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.

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.

The audit of Local 310's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 310 did not retain adequate documentation for reimbursed expenses incurred by the union totaling at least \$4,100. For example, Check [REDACTED] dated 2/28/2022, Check [REDACTED], dated April 5, 2022, Check [REDACTED] dated 5/4/2022, and Check [REDACTED] dated

June 9, 2022 to Murray, Murphy, Moul & Basil LLP for \$1,000 each; and Check [REDACTED] dated April 14, 2022 to Harden Auto Body for \$100, did not have invoices but check stubs were maintained.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Disposition of Property – Sports Tickets

Local 310 did not maintain an inventory of Cleveland Browns, Cleveland Cavaliers and Cleveland Guardians sports teams tickets it purchased and gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28. The union must record in at least one record the date and amount received from each sale of union items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

Based on your assurance that Local 310 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 310 for the fiscal year ended December 31, 2022, was deficient in that:

Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) was correctly answered, "Yes," because the union gave away 1,260 gift cards to Giant Eagle totaling \$60,000 during the year. However, the union did not include in its explanation of this item that it also gave away Cleveland Browns, Cleveland Cavaliers and Cleveland Guardians sports teams tickets during the fiscal year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

I am not requiring that Local 310 file an amended LM report for 2022 to correct the deficient items, but Local 310 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

Personal use of Credit Cards

The audit revealed that Local 310 does not permit its officers and employees to use the union credit card to pay for personal expenses. The following payments were made with the union's credit card for Business Manager Terrence Joyce's personal use.

- October 8, 2022, for \$15.23 with United Center Brewing in Chicago, Illinois.
- November 27, 2022, for \$41.14 with Uber Eats.
- December 27, 2022, for \$45.88 with Uber Eats.

Joyce has since reimbursed the union for these charges.

I want to extend my personal appreciation to Laborers Local 310 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,



Senior Investigator

cc: Mr. Aaron Kozak, President