

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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December 5, 2008

Mr. Andrew Orlando, Business Agent
Laborers AFL-CIO
Local 53
12891 Pennridge Drive
Bridgeton, MO 63044

LM File Number 017-076
Case Number: [REDACTED]

Dear Mr. Orlando:

This office has recently completed an audit of Laborers Local 53 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 on November 18, 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.

Recordkeeping Violation

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 53's 2007 records revealed the following recordkeeping violation:

Lack of Salary Authorization

Local 53 did not maintain records to verify that the salaries reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

In the December 2008 executive board meeting and membership meeting, you had the salary levels discussed, approved, and entered into the meeting minutes; therefore, the Office of Labor-Management Standards (OLMS) will take no further enforcement action at this time regarding the above violation.

Reporting Violation

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 53 for fiscal year ending December 31, 2007 was deficient in that in Schedules 3 and 4 of the LM-2 the local did not enter the amount of investments that were promptly reinvested in item 14. Failure to place the reinvested amounts in item 14 of Schedules 3 and 4 resulted in significantly inflated receipts and disbursements in Statement B - Receipts and Disbursements.

I am not requiring that Local 53 file an amended LM report for 2007 to correct the deficient items, but Local 53 has agreed to properly report the deficient items on all future reports it files with OLMS.

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I want to extend my personal appreciation to Laborers Local 53 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: Michael Benigno, President