

U.S. Department of Labor

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May 8,2008

Mr. Larry Schmucker, Business Manager
Roofers AFL-CIO
Local 88
6968 Promway Avenue N.W.
North Canton, Ohio 44720

LM File Number 002-358

Case Number: [REDACTED]

Dear Mr. Schmucker:

This office has recently completed an audit of Roofers Local 88 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 Linda Knox on April 29,2008, 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.

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-3 filed by Local 88 for fiscal year ending December 31,2007, was deficient in the following areas:

1. Officer Titles

The local did not report in Item 24 Column B the correct titles of some officers including President, Vice President, Recording Secretary, and Business Agent. The union must enter the title of the position each officer listed held during the reporting period. If an officer held more than one position during the reporting

period, list each additional position and the dates on which the officer held the position in Item 56 (Additional Information).

2. Direct Disbursements to Officers

Local 88 did not include some reimbursements to officers totaling at least \$209 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements). The union must report most direct disbursements to Local 88 officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24.

3. Indirect Disbursements to Officers

Local 88 did not include some reimbursements to officers totaling at least \$4,152 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements). The local made payments to a gasoline credit card used to fuel the Business Manager's personal vehicle for union and non-union business. The union must report some indirect disbursements made on behalf of its officers in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

4. Disbursements to Employees

Local 88 did not report in Item 56 the name and position of each employee who received more than \$10,000 in gross salaries, allowances, and other direct and indirect disbursements during the reporting period. Gross salary and reimbursements paid to the Office Secretary totalled at least \$37,808. The union must report disbursements made to each employee by the local labor organization and any affiliates, and the names of the other affiliated labor organizations which made disbursements to or on behalf of the employee. The union must also report in Item 56 the total disbursements made to each employee or on the employee's behalf by the local labor organization, including all salary and allowances (before any deductions) and other disbursements (including reimbursed expenses).

5. Assessment Fee Receipts

Local 88 did not include assessment fee receipts from members totaling at least \$133,337 in the amounts reported Item 40 (Fees, Fines, Assessments, and Work Permits). It appears the union erroneously reported these payments in Item 39 (Per Capita Tax Receipts).

Local 88 must file an amended Form LM-3 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than May 16, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Issues

The audit disclosed that access to the union's bank accounts at First Merit had not been updated to prevent access by unauthorized users and to allow current officers access to the accounts. The union was advised to update signatories whenever officers or employees vacate their positions and after officer elections.

Additionally, the union did not maintain an inventory list of office equipment, supplies or other assets. The union should record all purchases, sales, and disposals of fixed assets and update the inventory list accordingly.

I want to extend my personal appreciation to Roofers Local 88 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: Donald Condos, President