



November 30, 2017

Mr. Art Sturms, Secretary-Treasurer
Plasterers and Cement Masons
Northern Illinois District Council
1102 Rail Drive
Woodstock, IL 60098

Case Number: 310-6012100-
LM Number: 533805

Dear Mr. Sturms:

This office has recently completed an audit of Plasterers and Cement Masons, Northern Illinois District 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 on November 29, 2017, 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 the Plasterers and Cement Masons, Northern Illinois District Council's records for fiscal year ended June 30, 2017, revealed the following recordkeeping violation:

General Reimbursed Meal Expense

Plasterers and Cement Masons, Northern Illinois District Council did not retain adequate documentation to identify the union purpose of a meal reimbursement issued to Plasterers and Cement Masons, Local 502 totaling \$200.

As noted above, labor organizations must maintain documentation showing the nature of the union business requiring the disbursement. This documentation is necessary to determine if disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206. 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.

Based on your assurance that the Plasterers and Cement Masons, Northern Illinois District Council will retain adequate documentation in the future, 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 LM-3 filed by the Plasterers and Cement Masons, Northern Illinois District Council for the fiscal year ended June 30, 2017, was deficient in that the District Council improperly reported \$7,200 in per capita tax receipts from its two affiliated labor unions in Item 38 (Dues). Article 19 of the Plasterers and Cement Masons, Northern Illinois District Council bylaws provided the following regarding its revenue source: "The revenue of this Council shall be derived from per capita tax...." The LM-3 Instructions require the total per capita tax received by your organization, if your organization is an intermediate body, to be reported in Item 39 (Per Capita Tax).

I am not requiring that the Plasterers and Cement Masons, Northern Illinois District Council file an amended LM report for fiscal year ended June 30, 2017, to correct the deficient item, but the Plasterers and Cement Masons, Northern Illinois District Council has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Plasterers and Cement Masons, Northern Illinois District 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. Patrick LaCassa, President