

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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December 20, 2007

Mr. Peter J. Culver, Business Manager/Secretary Treasurer  
Bricklayers AFL-CIO  
Local 27  
450 Shepard Unit 16  
Elgin, IL 60123

LM File Number 030-962

Case Number: [REDACTED]

Dear Mr. Culver:

This office has recently completed an audit of BAC Local 27 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, Attorney [REDACTED], and CPA [REDACTED] on Monday, December 17, 2007, 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.

The CAP disclosed the following violation:

**Inadequate Bonding**

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 27's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

Other Issues



Signing Blank Checks

During the audit, you advised that the president signs blank checks. Your union's bylaws require that all checks be signed by the president and secretary-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, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 27 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to BAC Local 27 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: Mark Francis, President  
 Attorney  
 CPA