



July 31, 2020

Mr. John J. Davis, Business Manager/Financial
Secretary
Plasterers and Cement Masons AFL – CIO Local 3
4656 Baumgartner Rd.
St. Louis, MO 63129-2818

Case Number: 510-6018339
LM Number: 028117

Dear Mr. Davis:

This office has recently completed an audit of Plasterers and Cement Masons Local 3 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 Accountant John C. Engelmeyer on July 30, 2020, 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 3's 2019 records revealed the following recordkeeping violations:

1) General Reimbursed and Credit Card Expenses

Local 3 did not retain adequate documentation for office supplies purchased totaling at least \$243.31. For example, there were four occasions when Union officers purchased office supplies using the Union's credit card, but no receipts for these purchases were retained during the audit period.

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) Meal Expenses

Local 3 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$597.43. The Union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for Union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 3 records of meal expenses did not always include written explanations of Union business conducted and/or the names and titles of the persons incurring the restaurant charges. For example, there were 19 occasions when Union officers either purchased meals at restaurants using the Union's credit card or were reimbursed for meals totaling at least \$2,903.10, but did not record the full name and title or written explanations of the official Union business conducted. Union records of meal expenses must include written explanations of the Union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

The officers understand that Local 3 must maintain original itemized receipts provided by restaurants to officers and employees. In the future, itemized receipts will be maintained as part of the Local's records.

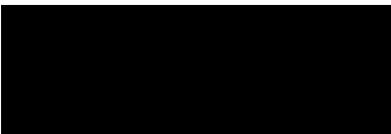
In addition, the officers understand that Local 3 must include written explanations of Union business conducted and the names and titles of the persons incurring the restaurant charges.

Based on your assurance that Local 3 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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.

I want to extend my personal appreciation to Plasterers and Cement Masons Local 3 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. Thomas Toenjes, President
Mr. John C. Engelmeyer, Accountant