

U.S. Department of Labor

Office of Labor-Management Standards
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August 16, 2021

Mr. Al Kuhar, President
Concrete Vault and Sewage System
Installers Union of Valley City
755 East Regan Parkway, Apt 233
Medina, OH 44256

Case Number: 350-6020066()
LM Number: 515058

Dear Mr. Kuhar:

This office has recently completed an audit of Concrete Vault and Sewage System Installers Union of Valley City 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 Treasurer Dylan Varga on July 28, 2021, 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 Installers Union of Valley City's 2020 records revealed the following recordkeeping violations:

Disability Payment Expenses

Installers Union of Valley City did not retain adequate documentation for disability payments made to members totaling at least \$2,000.00. For example, the union did not create or maintain vouchers or any type of documentation to support the disability payments.

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.

Based on your assurance that Installers Union of Valley City will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 Installers Union of Valley City for the fiscal year ended December 31, 2020, was deficient in that:

Acquire/Dispose of Property

Item 13 [LM-3] (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away VISA gift cards totaling more than \$13,000.00 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees."

I am not requiring that Installers Union of Valley City file an amended LM report for 2020 to correct the deficient items, but the union has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

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 Installers Union of Valley City is not presently bonded at all because the bond that was in place was not renewed and has expired. During the exit interview, the union was advised that they must be bonded for at least \$9,479.90 based on 2020 figures. The union agreed to reinstate their bond for at least the minimum amount required as soon as possible.

I want to extend my personal appreciation to Concrete Vault and Sewage System Installers Union of Valley City 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,

A black rectangular box redacting the signature of the Senior Investigator.

Senior Investigator

cc: Mr. Dylan Varga, Treasurer