

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
San Francisco District Office  
90 7th Street  
Suite 18-100  
San Francisco, CA 94103  
(415) 625-2661 Fax:(415) 625-2662



September 13, 2007

Mr. Steve Scott, Financial Secretary  
Plasterers' and Cement Masons, Local 300  
703 B Street, Room 200  
San Mateo, CA 94401

LM File Number: 540-512  
Case Number: [REDACTED]

Dear Mr. Scott:

This office has recently completed an audit of Plasterers' and Cement Masons, Local 300 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 Bookkeeper Michelle Brown on August 10, 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 audit disclosed the following violations:

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 300's 2006 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Local 300 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Financial Secretary Steven Scott totaling at least \$12,000. For example, there was no documentation to support several credit card charges from hotels and airlines.

As previously 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 Local 300 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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-2 filed by Local 300 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. LM-2 Failure to Itemize Disbursement or Receipt

Local 300 failed to properly report several "major" transactions in Schedules 15 and 18. A "major" transaction includes any individual transaction of \$5,000 or more or total transactions to or from any single entity or individual that aggregate to \$5,000 or more during the reporting period and which cannot properly be reported elsewhere in Statement B. The audit found that Total Itemized, Non-Itemized, and Total Transactions were under reported or omitted for numerous entities. This resulted in various discrepancies, including one greater than \$16,000.

Local 300 must file an amended Form LM-2 for fiscal year ending December 31, 2006, to correct the deficient items discussed above. I explained to you the filing procedures and the availability of the filing software on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-2 must be electronically filed as soon as possible, but not later than September 24, 2007. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a) which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 300 has amended its constitution and bylaws several times since 1997, but did not file copies with its LM reports as required. As agreed, Local 300 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than September 24, 2007.

I want to extend my personal appreciation to Plasterers' and Cement Masons, Local 300 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. Sidney Martin, President