

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
1240 East Ninth Street
Room 831
Cleveland, OH 44199
(216)357-5455 Fax: (216)357-5425



April 17, 2008

Mr. James Untch, Business Manager
Plasterers & Cement Masons AFL-CIO
Local Union 179
5208 Mahoning Avenue, Suite 225
Youngstown, Ohio 44515-1809

LM File Number 031-160
Case Number: [REDACTED]

Dear Mr. Untch:

This office has recently completed an audit of Plasterers & Cement Masons Local 179 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 [REDACTED] on March 21, 2008, 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.

Reporting Violations

The CAP 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-3 filed by Local 179 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 (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 t-shirts 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." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Purchase of Assets

Local 179 failed to report correctly the purchase of t-shirts during the audit year 2007. Purchases of assets must be recorded in Item 29 (Fixed Assets) on Statement A and in Item 52 (Purchase of Fixed Assets) on Statement B. In addition, a small description of what was purchased can be entered in Item 56 (Additional Information).

3. Disbursements to Officers

Local 179 did not include some reimbursements to officers totaling at least \$8,580 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 179's officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

4. Total Receipts

The audit of Local 179's records for the fiscal year ending December 31, 2007 revealed that total cash receipts were not recorded in the proper categories in

Statement B of the LM-3 report. For example, Item 40 (Fees, Fines, Assessments & Work Permits) was underreported by \$5,760. The receipts that did not classify as dues or interest and dividends were reported in Item 43 (Other Receipts), which consequently was over reported by approximately \$5,274.

5. Total Disbursements

The audit of Local 179's records for the fiscal year ending December 31, 2007 revealed that total cash disbursement were not recorded in the proper categories in Statement B of the LM report. For example, Item 50 (Benefits) was over reported by \$5,042 for the health benefits reimbursed directly to a union employee. This amount should have been reported in Item 46 (To Employees). Item 51 (Contributions, Gifts & Grants) was underreported by \$450 for donations made and as mentioned above, the purchase of t-shirts was not properly recorded in Item 52 (Purchase of Investments & Fixed Assets).

Local 179 must file an amended Form LM-3 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. You were advised by Investigator [REDACTED] that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than April 30, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Issues

Personal use of Credit Cards

The audit revealed that Local 179 permits officers to use union credit cards to pay for personal expenses. Although officers promptly repaid Local 179 for the personal expenses charged, OLMS does not recommend policies that allow personnel to make personal purchases with union credit cards because this may lead to misuse of union funds.

Mr. James Untch
April 17, 2008
Page 4 of 4

I want to extend my personal appreciation to Plasterers & Cement Masons Local 179 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,

Brian A. Pifer
Acting District Director

cc: Joseph DiLallo, President