

U.S. Department of Labor

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December 31,2008

Mr. Mark Trissel, President
Bricklayers AFL-CIO
Local 6
618 High Avenue NW, Suite 11
Canton, Ohio 44703

LM File Number 012-104
Case Number: [REDACTED]

Dear Mr. Trissel:

This office has recently completed an audit of Bricklayers Local 6 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 District Council Field Representative Brett Trissel on September 10,2008, 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.

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 6's 2007 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 6 did not retain adequate documentation for credit card expenses incurred by District Council Field Representative Brett Trissel totaling at least \$282.00. For example, Local 6 only provided credit card statements for documentation of expenses. 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.

2. Meal Expenses

Local 6 did not maintain itemized receipts for meal expenses totaling at least \$995.00. 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 fulfill the recordkeeping requirement of LMRDA Section 206. Local 6 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. 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. In addition, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Information not Recorded in Meeting Minutes

During the audit, Field Representative Brett Trissel advised OLMS that the executive board authorizes monthly expenses at its monthly meetings and presents them at the membership meetings. Article IX of Local 6's Constitution and Bylaws requires that the executive board authorize monthly expenditures. However, Local 6 maintained no minutes of any executive board meetings in 2007

and no membership meeting minutes for February and March 2007. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 6 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-3 filed by Local 6 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disposal 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 and hats to members, and watches to retiring members totaling more than \$5,600.00 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." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Disbursements to Officers

The union must report in Item 24 (All Officers and Disbursements to Officers) all persons who held office during the year, regardless of whether they received any payments from the union. Local 6 did not report the name of officer, Dave Fether, and did not include the salaries and reimbursements to officers totaling at least \$1,485.00 in the amounts reported in Item 24. It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report most direct disbursements to Local 6 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).

3. Cash Balances

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

4. Reporting Initiation Fees

During the organizational interview, Field Representative Brett Trissel disclosed that Local 6 collects initiation fees for new members on behalf of the District Council. These funds are by either check or cash, and then forwarded to the District Council along with the paper work. As outlined in the instructions for the LM-3 report, any funds collected, i.e. proceeds from the sale of supplies, rents, or funds collected for transmittal to third parties, must be deposited into the local's bank account and reported in Item 43 (Other Receipts).

5. 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 6 amended its constitution and bylaws in 2004, but did not file a copy with its LM report for that year.

Local 6 has now filed a copy of its 2004 constitution and bylaws.

Local 6 must file an amended Form LM-3 for fiscal year ending December 31, 2007 to correct the deficient items discussed above. Investigator Sheneman provided Field Representative Trissel with an instructions booklet, and advised him 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 January 30, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other 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 6's officers 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

Use of Signature Stamp

During the audit, Field Representative Trissel advised that it is Local 6's practice for President Mark Trissel to sign all union checks and to stamp the signature of Financial/Recording Secretary Dave Ertle on union checks. Field Representative Trissel stated that no one but you reviews the checks before they are issued. Article VII Section 5 A(4) of Local 6's bylaws requires that checks be signed by the president and financial/recording secretary. 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, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two-signature requirement. OLMS recommends that Local 6 review these procedures to improve internal control of union funds.

Mr. Mark Trissel
December 31, 2008
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I want to extend my personal appreciation to Bricklayers Local 6 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 Local 6 are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Brian A. Pifer
District Director

cc: Dave Ertle, Financial/ Recording Secretary