



September 29, 2014

Mr. Tom Pietrzak, Financial Secretary
Bricklayers Local 22
3366 Successful Way
Dayton, OH 45424

Case Number: 350-6000503()
LM Number: 025390

Dear Mr. Pietrzak:

The Office of Labor-Management Standards (OLMS) recently completed an audit of Bricklayers Local 22 under the Compliance Audit Program (CAP) to determine the local's compliance with the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As [REDACTED] and I discussed during the exit interview on September 29, 2014, the CAP disclosed problems, and Local 22 has agreed to resolve them. (Please note the matters listed below are not an exhaustive list of all potential problem areas since the audit was limited in scope.)

Recordkeeping Violations

Title II of the LMRDA establishes reporting requirements for labor organizations covered by the statute and contains recordkeeping requirements to support entries on the reports filed with OLMS. 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 22's fiscal year 2013 records revealed the following recordkeeping violations:

1. Certificates of Deposit

LU 22 did not maintain adequate records of fiscal year beginning and ending account balances, withdrawals and deposits for its CDs. Even if the bank no longer sends Local 22

such information by mail, the local could use Internet banking to regularly track CDs and maintain records of their activities.

2. Disposition of Property

Local 22 did not maintain an inventory of assets, such as sweatshirts, it gave away at union meetings. The local must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. Therefore, Local 22 should keep an inventory or similar record of property on hand to support entries in Item 30.

3. Sources and Categories of Receipts

Local 22 did not maintain records regarding the sources or categories of all receipts. For example, Peachtree records provided by Local 22's CPA for this CAP identified receipts only as general journal entries, not by their sources or categories such as dues, assessments, interest earnings, etc. As a result, I was unable to identify from the records made available during the CAP the source(s) of deposits into Local 22's Building Fund that totaled \$1,651.40 in 2013. Such information is necessary to support entries for categorizing receipts on Local 22's LM-3.

4. Market Fund Disbursements

Peachtree records provided by Local 22's CPA for this CAP identified the payee on all checks issued from the Market Fund in 2013 as Weidenbein Masonry even though Market Fund disbursements were paid that year to other contractors, not Weidenbein. Local 22 did give OLMS copies of Market Fund checks which showed the real payees; nevertheless, Peachtree data should reflect actual transactions.

5. Supporting Documentation for Disbursements

Copies of supporting documentation for disbursements provided during this CAP did not include a bill or invoice for General Fund check number [REDACTED] to Willis & Hecker for \$1,300 in August 2013. 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 Local 22's assurance that it shall retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The CAP uncovered a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. Local 22's Labor Organization Annual Report Form LM-3 for the fiscal year ended December

31, 2013 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 Local 22 gave away assets, such as sweatshirts and gift cards, at membership meetings. Local 22 must identify the type and value of any property given away in the additional information section of the LM report along with the identity of the recipient(s) of such property. Every recipient of such giveaways does not have to be identified by name. The union can describe the recipients by broad categories, if appropriate, such as "members" or "retirees."

2. Disbursements to Officers

Local 22 did not disclose payments to all officers in Item 24. Instructions for Item 24 of the LM-3 require unions to "list all the labor organization's officers and report all salaries and other direct and indirect disbursements to officers during the reporting period." On Local 22's fiscal year 2013 LM-3, only payments to Financial Secretary Thomas Pietrzak were disclosed in Item 24 even though payments were also made to other officers. Those payments to other officers should have been reported in Item 24. Salaries, wages (including lost time pay) and regular stipends should be reported in Column D of Item 24, and other disbursements, such as reimbursed expenses, are reported in Column E.

As a resolution for the reporting deficiencies, I am not requiring Local 22 to file an amended LM-3 for 2013; however, Local 22 has agreed to properly report the deficient items on all future reports it files with OLMS.

I wish to extend my thanks to Bricklayers Local 22 for its cooperation and courtesy during this compliance audit. Please share this letter with other officers and members. If you have questions or concerns or ever require future assistance, please call me directly at (317) 535-3034, or you can call our Cincinnati Office at (513) 684-6840.

Sincerely,


Senior Investigator