



December 21, 2017

Mr. Andreas Cluver, Secretary-Treasurer  
Building & Construction Trades Council, Alameda County  
7750 Pardee Lane, Suite 100  
Oakland, CA 94621

Case Number: 530-6009883 [REDACTED]  
LM Number: 030767

Dear Mr. Cluver:

This office has recently completed an audit of Building & Construction Trades Council, Alameda County 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 Kelly Marshall on September 28, 2017, 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 Building and Construction Trades Council (BCTC) Alameda County 2016 records revealed the following recordkeeping violations:

#### 1. General Reimbursed and Credit Card Expenses

BCTC Alameda County did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by officers and employees totaling at least \$20,000.00. For example, Secretary-Treasurer Andreas Cluver was missing receipts for a \$15.01 in charges at CCSF MTA Parking in San Francisco, CA, \$102.23 at San Francisco Dancewear, and \$72.00 at Espetus Churrascaria in San Francisco, CA.

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.

## 2. Meal Expenses

BCTC Alameda County did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$1,202.94. 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 sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

BCTC Alameda County 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. For example, Secretary-Treasurer Andreas Cluver provided non-itemized meal receipts without any explanation or names of the persons in attendance for a meal at Sconehege Bakery & Café for \$31.00 on May 3, 2016, a meal at Hegenburger on May 10, 2016 for \$19.60, a meal at Yoshino Sushi on May 20, 2016 for \$44.30, and a meal at El Taquito Restaurant on June 20, 2016 for \$27.23. 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. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file BCTC Alameda County's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

I want to extend my personal appreciation to Building & Construction Trades Council, Alameda County 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