



June 28, 2017

Mr. Cameron Rupert, Treasurer
Plasterers and Cement Masons, AFL-CIO
Local 526
2606 California Avenue
Pittsburgh, PA 15212

Case Number: 140-6009727 [REDACTED]
LM Number: 020-585

Dear Mr. Rupert:

This office has recently completed an audit of Plasterers and Cement Masons, AFL-CIO, Local 31 under the Compliance Audit Program (CAP) to determine the organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). I understand that as of November 1, 2015, Local 31 merged with Plasterers and Cement Masons, AFL-CIO, Local 526. As discussed during the exit interview with you and Local 526 President Augie Didiado on June 22, 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 Violation

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 31's 2015 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Local 31 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$219.91. For example, on a few occasions vendor receipts were not found in union records to support charges such as a parking charge and a taxi fare.

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.

Since Local 31 merged with Local 526, OLMS will take no further enforcement action at this time regarding the above violation.

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 31 for the fiscal year ended November 1, 2015 was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 [LM-3] (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 during the Labor Day parade, valued at more than \$2,385.00. 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. Statement B-Receipts and Disbursements

It appears figures reported under Statement B are not figures according to Local 31's books for the fiscal year. Under Statement B receipts must be recorded when money is actually received by the labor organization and disbursements must be recorded when money is actually paid out by the labor organization.

Since Local 31 merged with Local 526, I am not requiring the local to file an amended LM report for 2015 to correct the deficient items.

I want to extend my personal appreciation to Plasterers and Cement Masons, AFL-CIO Local 31

and Local 526 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 including those of Local 526. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

[REDACTED]

Investigator

cc: [REDACTED], former business manager, Local 31