



October 5, 2017

Mr. Tim Linder, President  
Bricklayers Local 46  
1310 Siler Street  
Fremont, OH 43420

Case Number: 350-6009090 ( )  
LM Number: 508189

Dear Mr. Linder:

This office has recently completed an audit of Bricklayers Local 46 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, former Local 46 [REDACTED], and Attorney Joyce Goldstein on September 19, 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 Local 46's 2015 records revealed the following recordkeeping violation:

## General Reimbursed Expenses

Local 46 did not retain adequate documentation for expenses totaling at least \$92.41. For example, check # [REDACTED] dated February 16, 2015 was paid to Depot Pizza but no receipt was retained.

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 your assurance that Local 46 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 46 for the fiscal year ended December 31, 2015, was deficient in that:

### 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 safety glasses, knives, clothing items, and tablet computers totaling more than \$3,359.22 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. Fixed Assets

The fixed assets (Item 29) did not include alarm system equipment purchased in 2015. Specifically, three cameras, a digital video recorder, and a wireless alarm system totaling \$2,676.96 were purchased on March 18, 2015 but were not included in the total of fixed assets reported on the LM report.

In addition, Item 29 of the LM-3 report fails to report the purchase of 200 union worker Bibles on August 18, 2015 with check number [REDACTED] in the amount of \$388.00 from the Almark Company. These Bibles should be recorded on the fixed asset listing and included on the LM-3 in Item 52 (Purchase of Investments & Fixed Assets).

The purchase of all fixed assets should be included in Item 52, and the sale or disposal of assets should be reflected in Items 29(a) and 29(b).

I am not requiring that Local 46 file an amended LM report for 2016 to correct the deficient items, but Local 46 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

During our initial interview it was mentioned that the Market Recovery Checking Account only requires the signature of the president of Local 46 on its checks. The two signature requirement is an effective internal control of union funds. OLMS recommends that Local 46 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Bricklayers Local 46 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

cc: Ms. Joyce Goldstein, Attorney