



February 4, 2019

Dennis Rahe, Secretary-Treasurer  
Bricklayers Local 5  
6200 Rockside Road  
Ste. 210  
Independence, OH 44131

Case Number: 350-6014857  
LM Number: 019042

Dear Dennis Rahe:

This office has recently completed an audit of Bricklayers Local 5 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 on January 29, 2019, 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.

#### 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-2) filed by Local 5 for the fiscal year ended June 30, 2018, was deficient in that:

##### 1. Credit Card Charges

Officer expenses placed on union credit cards were not attributed to the individual officer in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 5 file an amended LM report for 2018 to correct the deficient items, but Local 5 has agreed to properly report the deficient items on all future reports it files with OLMS.

## 2 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 5 amended its constitution and bylaws in 2009, but did not file a copy with its LM report for that year.

Local 5 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Bricklayers Local 5 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: Joseph Coreno, President