

**U.S. Department of Labor**  
Office of Labor-Management Standards  
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October 22, 2019

Brendan O'Sullivan, Executive Director  
National Heavy & Highway Coalition  
905 16th Street, NW  
Washington, DC 20006

Case Number: 450-6015711(77)  
LM Number: 544-097

Dear Mr. O'Sullivan:

This office has recently completed an audit of the National Heavy & Highway Coalition (NHHC) 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, Laborers International Union of North America (LIUNA) General Counsel Theodore Green, and NHHC Administrative Assistant Renee Jawish on October 15, 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.

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 the NHHC's 2018 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

The NHHC did not retain adequate documentation for reimbursed expenses incurred by an NHHC employee. For example, on December 4, 2018 the union issued check [REDACTED] to the employee in the amount of \$154.17 with "Office Supplies" in the memo line. There was no receipt in the union's records which reflected what the employee purchased.

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. Lack of Benefits Authorization

The NHHC did not maintain sufficient records to verify that the retiree benefits reported in Schedule 50 (Benefits) of the LM-3 for fiscal year 2018 were properly authorized and that the correct amounts disbursed by the NHHC on behalf of two former executive directors.

The union must keep a record, such as meeting minutes, to show the benefits authorized by the entity or individual in the union with the authority to establish such benefits. These type of arrangements for past and present officers and employees should be clearly recorded and maintained during the life of the arrangement.

Based on your assurance that the NHHC will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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. The NHHC bylaws were not on file with OLMS. The NHHC has now filed a copy of its constitution and bylaws.

Other Violations

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that the NHHC's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the NHHC obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

#### Other Issues

##### Benefits Policy

The union did not have a policy for benefits paid on behalf of union officers and employees during the audit period. OLMS recommends that the union adopt a policy regarding benefits paid on behalf of union officers and employees.

I want to extend my personal appreciation to the NHHC 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