

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
111 West Huron Street, Suite 1310
Buffalo, New York 14202
(716) 551-4976 / FAX: (716) 551-4978



April 20, 2005

Donald Giardini, Business Manager
Laborers AFL-CIO
Local Union #621
1521 North Union Street
Olean, NY 14760

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Dear Mr. Giardini:

This office has recently completed an audit of Laborers, Local Union #621 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 Office Manager Denee Green, on April 1, 2005, the following issues were discussed 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.

The CAP disclosed that the union properly maintained the vast majority of records required to be retained in support of receipts and disbursements under the LMRDA, Section 206. However, in some instances meal expense charges made did not have sufficiently descriptive explanations for the nature and purpose of the expense. If any documents are not sufficiently descriptive, a note can be written on them providing the additional information.

In reference to the LM-2 report, payroll and tax withholding was not separately reported for officers and employees in Statement B, Item 67. Allowances for officers should be reported in column E of schedule 9 (schedule 11 of revised form LM-2). The term "misc" should not be used as a description for other receipts.

It should also be noted that all direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in schedule 9 (schedule 11 of revised form LM-2). A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer.

However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in schedules 15 through 20. Please note there are special rules for reporting expenses for automobiles assigned to individual officers. Consult the instructions for the revised Form LM-2 when preparing your next report.

I want to extend my personal appreciation for the cooperation and courtesy extended by you and your staff during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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Investigator

CC: Kevin John, President