



September 16, 2011

Mr. Richard Sheldon, Business Manager  
Laborers, Local Union 419  
453 West Patriot Street  
Somerset, PA 15502

Case Number: |||||  
LM Number: 005725

Dear Mr. Sheldon:

This office has recently completed an audit of Laborers, Local Union 419 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 Secretary Jane Campbell on August 25, 2011, 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 Union 419’s 2010 records revealed the following recordkeeping violation:

Vacation Time

As noted during the CAP organizational interview, the local’s business manager receives four weeks paid vacation annually; however, the local failed to maintain records accounting for vacation time earned and used. A record of vacation time earned and used

by each employee is necessary to ensure the use of vacation is not abused. You agreed to begin keeping a record of vacation hours accumulated and used.

Based on your assurance that Local Union 491 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Laborers, Local Union 419 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,

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Investigator

cc: Mr. Timothy Uphold, President