U.S. Department of Labor

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January 31, 2008

Mr. Scott Vitek, Business Manager
Laborers
Local 670
101 South Cherry Street
O'Fallon, IL 62269

LM File Number 001-236
Case Number: █████████

Dear Mr. Vitek:

This office has recently completed an audit of Laborers Local 670 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 Secretary-Treasurer William Louis and yourself on January 25, 2008, 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 670's records revealed the following recordkeeping violations:

Local 670 did not retain adequate documentation for disbursements and credit card expenses. For example, numerous receipts were missing for gas charges on the union credit card. Additionally, there was no receipt for Check Number ▮▮▮ to Meddows Screening for $1,225. As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The principal officers of your union are responsible for properly maintaining union records.

Local 670 did not retain adequate documentation for lost wage reimbursement payments to officers. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 670 documented in the meeting minutes approval for some of the lost wages. However, Mr. Louis regularly receives lost wage reimbursement for handling his financial duties. These disbursements had no supporting documentation.

During the exit interview, I suggested an expense voucher that Local 670 may use to satisfy this requirement. The voucher, or similar documentation, must identify the above mentioned information and be retained to be in compliance with Title II, Section 206.

I want to extend my personal appreciation to Laborers Local 670 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: William Louis, Secretary-Treasurer