



March 7, 2013

Mr. Jaime Barton, Secretary-Treasurer
Plasterers & Cement Masons AFL-CIO State Conference
1605 N. Susan Street
Santa Ana, CA 92703

Case Number: 520-13413 [REDACTED]
LM Number: 059962

Dear Mr. Barton:

This office has recently completed an audit of Plasterers & Cement Masons AFL-CIO State Conference 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 CPA [REDACTED] on March 5, 2013, 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-3) filed by the State Conference for the fiscal year ended June 30, 2012, was deficient in the following areas:

1. Disbursements to Officers

Plasterers & Cement Masons State Conference did not include some reimbursements to officers totaling at least \$17,053.88 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54.

The union must report most direct disbursements to the State Conference officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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 Item 48 (Office and Administrative

Expense). You and Mr. [REDACTED] agreed to include some indirect expenses in item 45 and Schedule 24E and other indirect expenses in item 54 with an explanation in item 56 for conference expenses not attributable to individual officers.

2. Per Capita Tax

The per capita tax received must reported in item 39 instead of item 38.

3. LM-1 Report

Item 6 of the LM-1 Report must be left blank to accurately reflect the name of the union.

Plasterers & Cement Masons State Conference must file an amended Form LM-3 for the fiscal year ended June 30, 2012 and an amended Form LM-1, to correct the deficient items discussed above. I encourage the union to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than April 5, 2013 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Plasterers & Cement Masons AFL-CIO State Conference 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,

[REDACTED]
Investigator

cc: Mr. Henry Jimenez, President