



May 1, 2012

Mr. Bill Hulet, Financial Secretary
Bricklayers Local 55
3005 Lamb Road
Columbus, OH 43219

Case Number: [REDACTED]
LM Number: 033558

Dear Mr. Hulet:

This office has recently completed an audit of Bricklayers Local 55 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, President John Conner, Vice President Jack Heinzman, Field Representative Tom Cannon Jr. and CPA Shari Mason on February 21, 2012, 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 55's 2010 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 55 did not retain adequate documentation for reimbursed credit card expenses incurred several Local 55 officers totaling at least \$1,000.00. For example, officers who

received reimbursement for union related purchases made on their personal credit cards did not submit the applicable credit card statements.

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. Disposition of Property

Local 55 did not maintain an inventory of hats, jackets, and other property it purchased and gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

Based on your assurance that Local 55 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 Local 55 for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 [LM-3] (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away hats, t-shirts, and sweatshirts totaling more than \$5,000.00 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. 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. Local 55 amended its constitution and bylaws in 2010 but did not file a copy with its LM report for that year.

Local 55 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 55 file an amended LM report for 2010 to correct the deficient items, but Local 55 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. ATM Card

During the audit you advised that Local 55 has an ATM card that is used for the Local 55 postage meter and occasionally for union supplies. Article VIII, Section 5 A(4) requires all checks or orders for payments of monies from the local union's accounts be signed by the local union president and financial secretary. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of an ATM card does not attest to the authenticity of the disbursement and negates the purpose of the two signature requirement. OLMS recommends that Local 55 review these procedures to improve internal control of union funds.

2. Subsidiary Organization Bonding

During the audit it was discovered that it is uncertain if the Local 55 fidelity bond covers the Local 55 subsidiary organization or if the subsidiary organization has a separate bond. Local 55 has not provided such information to date. Please obtain the information by May 11, 2012 and provide it to the OLMS Cleveland District Office. If it is determined that the subsidiary organization is not covered by the Local 55 bond, please ensure that the subsidiary organization is added to the Local 55 bond or that a separate bond is obtained for the subsidiary organization.

I want to extend my personal appreciation to Bricklayers Local 55 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: Mr. John Conner, President