



March 14, 2012

Mr. John Massaro, Secretary Treasurer
Laborers Local 210
25 Tyrol Drive
Cheektowaga, NY 14227

Case Number: [REDACTED]
LM Number: 044908

Dear Mr. Massaro:

This office has recently completed an audit of Laborers Local 210 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, Business Manager Sam Capitano, President Brian Reff, Vice President Peter Capitano, Office Manager Jennifer Hasfurter, and Accountant Matt Derx on March 8, 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 Violation

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 210's 2011 records revealed the following recordkeeping violations:

Meal Expenses

Local 210 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges.

For example, on one occasion Business Agent/Financial Secretary John Massaro did not specify the reason for a union paid lunch meeting with another officer. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 210 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-2 filed by Local 210 for the fiscal year ended December 31, 2010, was deficient in the following areas:

Certificates of Deposit Reported As Investments

Local 210 improperly included the value of certificates of deposit as an investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

I am not requiring that Local 210 file an amended LM report for 2010 to correct the deficient items, but Local 210 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 210's officers and employees are currently bonded for \$335,000, but they must be bonded for at least \$390,000. Local 210 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 9, 2012.

I want to extend my personal appreciation to Laborers Local 210 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. Samuel Capitano, Business Manager
Mr. Brian Reff, President
Mr. Peter Capitano, Vice President
Ms. Jennifer Hasfurter, Office Manager
Mr. Matthew Derx, Accountant