

U.S. Department of Labor

Office of Labor-Management Standards
Pittsburgh District Office
1000 Liberty Avenue
Room 1411
Pittsburgh, PA 15222
(412)395-6925 Fax: (412)395-5409



March 30, 2010

Mr. Robert Furka, Business Manager
Laborers
Local 323
306 E. Brady Street
Butler, PA 16001

LM File Number 002-372
Case Number: [REDACTED]

Dear Mr. Furka:

This office has recently completed an audit of Laborers Local 323 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 on March 26, 2010, 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 323's 2009 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 323 did not retain adequate documentation for credit card expenses incurred by former Business Manager [REDACTED] totaling at least \$394.20. For example, Local 323 maintained the original BP credit card statements for former Business Manager [REDACTED]'s gasoline purchases from January 1, 2009 through February 28, 2009, but could not locate the original credit card receipts for this time period.

As previously 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. Failure to Record Receipts

Local 323 did not record in its receipts records interest earned on one of its certificates of deposit from [REDACTED] totaling at least \$517.02. For example, Local 323 failed to record reinvested interest income from CD # [REDACTED] on their union records. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Failure to Record Account

Local 323 opened a checking account with [REDACTED] in March 2009 in order to obtain better rates on a certificate of deposit. The [REDACTED] checking account was

inactive during the audit period; however, Local 323 failed to record this account in union records.

As previously noted above, labor organizations must maintain adequate records by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified.

Based on your assurance that Local 323 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Laborers Local 323 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: Rodney Stutz, President
Thomas McCommon, Secretary Treasurer