

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
Room 831, Federal Office Building
1240 East Ninth Street
Cleveland, Ohio 44199-2053
(216) 357-5455 / FAX: (216) 357-5



May 27, 2005

Ken Kastelic, Financial Secretary
Bricklayers AFL-CIO
Local 16
9437 Hamilton Drive
Mentor, OH 44060

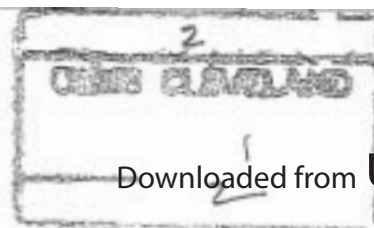
Re: 2

Dear Kastelic:

This office has recently completed an audit of Bricklayers Local 16 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, as Amended (LMRDA). As discussed during the exit interview with you on May 20, 2005, the following problems were discussed 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.

The CAP disclosed ...

- 1) Deficient Report, LMRDA sec. 431(b)
 - a) Financial information of the Apprenticeship and Training Fund was included on the LM-3 report. This fund is administered jointly by representatives from the Contractor's Association and the Union. It is a trust under the Labor Management Relations Act (LMRA) and is a plan defined under the Employees Retirement and Security Act (ERISA). It is not a labor organization as defined under 3 (i) of the LMRDA. An amended LM-3 report was filed removing the financial information of the Fund to correct this deficiency.
 - b) The LM-3 subsidiary report for the building trust incorrectly listed all the officers of Local 16 as officers of this trust. The trust is administered by three trustees who currently are the president, vice president and financial secretary. An amended LM-3 subsidiary report was filed correcting this discrepancy.



2) Failure to Adequately Bond, LMRDA sec. 502 (a)

The amount of the bond was not in compliance with the LMRDA required coverage. You increased the bond to \$45,000 to properly cover the funds handled.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,



Investigator