

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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March 10, 2008

Mr. Frank Colcher, Business Manager
Laborers
Local 530
Masonic Building, Room 208
40 N. 4th Street
Zanesville, OH 43701

Re: Case Number: [REDACTED]

Dear Mr. Colcher:

This office has recently completed an audit of Laborers Local 530 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, Dan Foshee, and Mike Lynch on February 20, 2008, 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-2 filed by Local 530 for fiscal year ending December 31, 2006 was deficient in the following areas:

1. Benefits to Officers

The Laborers Local 530 included pension and health insurance contributions to both Frank Colcher and Dan Foshee in Schedule 11, Column G. These benefits should have been included in Schedule 20, Benefits.

The union should report its direct and indirect disbursements to all entities and individuals during the reporting period associated with direct and indirect benefits for officers, employees, members, and their beneficiaries. Benefit disbursements to be reported in Schedule 20 include, for example, disbursements for life insurance, health insurance, and pensions. Do not include salary bonuses, severance payments, or payments for accrued vacation, which should be reported in Column (D) of Schedule 11 or 12.

2. Disbursements to Officers

Laborers Local 530 included all credit card transactions by Frank Colcher in Schedule 11. All credit card transactions made by on officer are not required to be reported in Schedule 11.

Disbursements to credit card companies may not be reported as a single disbursement to the credit card company as the vendor. Instead, charges appearing on credit card bills paid during the reporting period must be allocated to the recipient of the payment by the credit card company. Charges should be allocated to officers in Schedule 11 if it was a direct or indirect disbursement to the officer.

I am not requiring Laborers Local 530 to file and amended LM-2 report for 2006 to correct the deficient items, but Local 530 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Laborers Local 530 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