



May 11, 2012

Mr. Robert Vigil, Business Manager  
Plasterers and Cement Masons, Local 254  
108 General Arnold NE  
Albuquerque, NM 87123

Case Number: [REDACTED]  
LM Number: 037632

Dear Mr. Vigil:

This office has recently completed an audit of Plasterers and Cement Masons, Local 254 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 April 26, 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 254's 2011 records revealed the following recordkeeping violations:

#### 1. General Reimbursed and Credit Card Expenses

Local 254 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Mr. Vigil totaling at least \$366.30. For example, no expense receipt was found in union records for a Southwest Airlines charge of \$366.30 to the union credit

card for a trip to Fort Lauderdale, Florida on February 26, 2011.

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. Meal Expenses

Local 254 maintained all itemized receipts provided by restaurants for meal expenses for the sample period examined. However, expense receipts for meals totaling at least \$419 did not include written explanations of the union business conducted or the names and titles of the persons incurring the restaurant charges. Itemized expense receipts provided by restaurants are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

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.

3. Receipt Dates not Recorded

Entries in Local 254's receipts journal reflect the date the union deposited money, but not the date that money was received. For example, the union held receipts from members' working dues for several days before depositing funds in each deposit containing several receipted items. All receipts were deposited, but the union only recorded the date and a total of combined receipts obtained from monthly bank statements as the receipt date in union QuickBooks records. The union did not record the members' names, type of payment, or other receipted items tied to each deposit in union records.

Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Local 254 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 254 for the fiscal year ended Month December 31, 2011, was deficient in that Local 254 amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year. The latest copy on file was dated 1986.

Local 254 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Plasterers and Cement Masons, Local 254 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. Arthur Archuleta, President