

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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February 15, 2005

Peter Pappas, Secretary/Treasurer  
Laborers Local 758  
2089 North Ridge Road  
Lorain, Ohio 44055

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Dear Mr. Pappas,

This office has recently completed an audit of Local 758 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 October 29, 2004, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

Union officers failed to retain adequate documentation for some expenses. Specifically, no invoice was available for t-shirts purchased by the Local and distributed at the Christmas party. In addition, other receipts for printing of union materials, such as bumper stickers, were not available, but secured through the course of the audit. The date, amount, and business purpose of every expense must be recorded on at least one union record. With respect to documentation retained in support of specific disbursements (including those in payment of credit card charges), the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information.

Local 758 failed to retain an inventory of t-shirts which was purchased and sold or given away. Records must be retained which account for all union property. Therefore, if the Local donates these items to the members and/or families, a record of the recipients of such must be retained to account for the disposition of this property.

As agreed, provided that Local 758 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

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

Sincerely,

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