

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
Room E-365
JFK Federal Building
Boston, MA 02203
(617)624-6690 Fax: (617)624-6606



July 26, 2006

Mr. James Porter
Business Manager
Laborers AFL-CIO
Local 243
882 Southbridge Street
Auburn, MA 01501-1337

Re: Case Number: XXXXXXXXXX

Dear Mr. Porter:

This office has recently completed an audit of Laborers Local 243 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 June 01, 2006, 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.

The CAP disclosed that for the fiscal year ended 12/31/05:

1. Direct and withholding taxes were incorrectly reported as general overhead. Direct taxes, such as real estate and the local's share of payroll taxes, are reported on line 65 of Statement B. Withholdings from officer and employee salaries are reported on line 67 of Statement B. Regardless of the amount, these payments are never itemized by payee, as they are not reported as part of one of the functional categories (schedules 15-19) introduced in the revised LM-2.
2. The union's monthly bank loan payments were not properly reported. The payments of loan principal are to be reported using schedule 9 of the LM-2. Interest payments were correctly reported as general overhead, and as the total of these payments exceeded \$4999, an itemization page was appropriately completed. However, as no single payment of interest exceeded \$4,999, it was not necessary, though it was permissible, to itemize the individual payments.

Mr. James Porter
July 26, 2006
Page 2 of 2

Though an amended report need not be filed for the audit year, please take care not to repeat these errors in the future.

I want to extend my personal appreciation to Laborers Local 243 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,

A thick, dark horizontal line used to redact the signature of the investigator.

Investigator