

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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February 12, 2008

Mr. Peter LoMauro, Treasurer
Building and Construction Trades Dept AFL-CIO
Middlesex County Building and Construction Trades Council
2 Iron Ore Road @ Rte 33
Englishtown, NJ 07726

Re: Case Number: [REDACTED]

Dear Mr. LoMauro:

This office has recently completed an audit of Middlesex County Building and Construction Trades Council 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 February 8, 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 LM-3 filed by Building and Construction Trades Council for fiscal year ending April 30, 2006 was deficient in the following areas

1. Per Capita Taxes reported as Dues

Building and Construction Trades Council inadvertently reported per capita taxes in Cash Receipts, Item 38 Dues. The correct category to reflect per capita taxes received by Building and Construction Trades Council is Cash Receipts, Item 39 Per Capita Tax in the LM-3 Report.

2. Disbursements to Officers

Building and Construction Trades Council did not include reimbursements to an officer totaling at least \$240.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 51.

The union must report most direct disbursements to Building and Construction Trades Council officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Building and Construction Trades Council must file an amended Form LM-3 for fiscal year ending April 30, 2006 to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than February 22, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation(s):

1. Inadequate Bonding


The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

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Building and Construction Trades Council's officers are currently bonded for \$3,500. However, the total receipts reflected for the last completed LM-3 report for fiscal year ending April 30, 2007 indicates that the Council is required to have a bond of at least \$5,263. Building and Construction Trades Council should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than February 22, 2008.

I want to extend my personal appreciation to Middlesex County Building and Construction Trades Council 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: William Schlueter