



January 17, 2024

Mr. Richard Crawford, Director
Bricklayers Mountain West
Administrative District Council
3900 West Quail Ave.
Las Vegas, NV 89118-3003

Case Number: 520-6027492()
LM Number: 545573

Dear Mr. Crawford:

This office has recently completed an audit of Bricklayers Mountain West Administrative District 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 Secretary/Treasurer Anthony Ivester, Office Manager Helen Taylor, Attorney Paul Catenacci, and you on December 21, 2023, 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 the Bricklayers Mountain West Administrative District Council's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

The District Council did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the director and secretary-treasurer totaling at least \$18,082.78. These expenses included building maintenance, vehicle maintenance, and travel-related purchases.

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

The District Council did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$4,102.30. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

The District Council's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a July 26, 2021 charge by the secretary-treasurer at Viet Noodle Bar for \$84.19 did not include any receipt or note with the requisite information. In addition, a February 17, 2021 charge by the director at Mr. D's Sports Bar in Las Vegas did not include an itemized receipt and was only noted as "Lunch with contractor." 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.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Bricklayers Mountain West Administrative District Council's Labor Organization Annual Report Form LM-2. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

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 Bricklayers Mountain West Administrative District Council for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Disbursements to Officers and Employees

The District Council did not include some payments to officers and employees totaling at least \$22,529.10 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. Automobile Expenses

The District Council did not include in the amounts reported in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees) disbursements for the operation and maintenance of union automobiles totaling at least \$48,875.90.

The LM-2 instructions provide two methods for reporting automobile-related expenses. The union must report in Schedules 11 and 12 direct and indirect disbursements for the operation and maintenance of union owned and leased vehicles and the operation and maintenance of vehicles owned by union personnel (including gasoline, repairs, and insurance). The union may divide the expenses and report them in Columns F and G based on miles driven for union business (supported by mileage logs) compared with miles driven for personal use.

Alternatively, rather than allocating the expenses between Columns F and G, if 50 percent or more of an officer's or an employee's use of a vehicle was for official business, the union may report all of the expenses relative to the vehicle assigned to the officer or employee in Column F of Schedule 11 or 12 with an explanation in Item 69 (Additional Information)

that the officer or employee used the vehicle part of the time for personal business. Similarly, if a vehicle assigned to an officer or employee was used less than 50 percent of the time for business, all of the expenses relative to that vehicle may be reported in Column G with an explanation in Item 69 that the officer or employee used the vehicle partly for official business.

I am not requiring that Bricklayers Mountain West Administrative District Council file an amended LM report for 2021 to correct the deficient items, but the District Council has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. Expense Policy

As I discussed during the exit interview, the audit revealed that the Bricklayers Mountain West Administrative District Council does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union credit cards. OLMS recommends that unions adopt written guidelines concerning such matters, which the District Council has agreed to do.

2. Sale of Assets

Bricklayers Mountain West Administrative District Council does not have a written policy regarding the sale of assets, such as vehicles. The District Council has agreed to adopt a written policy that will create a fair and impartial process for the sale of assets.

3. Salary Payments

A calculation error in 2021 resulted in the overpayment of salary to the Director and underpayment of salary to the Secretary-Treasurer. The District Council has since made full payment to the Secretary-Treasurer for the underpayment and has entered into a repayment plan with the Director for the overpayment.

4. Receipts System

The District Council did not use pre-numbered receipts to record dues and other payments received from members. The District Council explained that a system malfunction in the software used to generate the receipts has since been resolved.

I want to extend my personal appreciation to Bricklayers Mountain West Administrative District 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,

[REDACTED]

Investigator

cc: Mr. Anthony Ivester, Secretary/Treasurer
Ms. Helen Taylor, Office Manager
Mr. Paul Catenacci, Esq.