

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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February 12, 2007

Mr. Peter Altadonna, Jr., President
Bricklayers and Allied Craftworkers
Local 2
C/O Bricklayers and Allied Craftworkers
Administrative District Council
3281 Route 206
Borderntown, NJ 08505

Re: Case Number: [REDACTED]

Dear Mr. Altadonna, Jr.:

This office has recently completed an audit of Bricklayers Local 2 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 Director Administrative District Council Richard E. Tolson and [REDACTED] on February 8, 2007, 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 the following:

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 2's FY 2005 records revealed the following recordkeeping violation:

Officer and Employee Expenses

Union officers and employees failed to maintain adequate documentation for reimbursed expenses, and for lodging expenses that were direct-paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded. Specifically, not all receipts were annotated with the necessary information to identify the purpose for the expense and disbursement. President Peter Altadonna, Jr., received \$10,576.00, Vice-President John Agugliaro \$15,094.00 and Secretary-Treasurer Thomas Rhodes \$8,774.12 in reimbursement for expenses incurred during the fiscal year 2005. Additionally, Business Agent Nicholas Renze received \$7,884.00 in reimbursements for 2005 fiscal year expenses. Although receipts were provided for these expenses, the receipts were not annotated to explain the business purpose of each expense nor were the names of the individuals present for meal expenses provided.

As agreed, provided that Local 2 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

The CAP 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) for fiscal year ending December 31, 2005 has not been filed.

The law requires the president and treasurer or corresponding principal officers of each labor organization to file an annual financial report with the Office of Labor-

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Management Standard (OLMS) within 90 days after the end of its fiscal year. Any labor organization which has terminated and ceased to exist or lost its identity through merger or consolidation must file a terminal financial report within 30 days of such action. Therefore, Local 2's report is overdue.

Local 2 must file a Form LM-2 for fiscal year ending December 31, 2005 to the Office of Labor Management Standards as soon as possible, but no later than February 20, 2007. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed with the correct digital signatures. Form LM 2 must be filed electronically. Information concerning electronic filing can be found at OLMS' website which is www.olms.dol.gov.

I want to extend my personal appreciation to Bricklayers Local 2 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: Richard E. Tolson, Director Administrative District Council