

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
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May 13, 2005

Richard Braccia
Carpenters Local 424
21 Mazzeo Drive, Suite 201
Randolph, MA 02368

Re: 2

Dear Mr. Braccia:

This office has recently completed an audit of Carpenters Local 424 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 and Ed Flaherty on May 4, 2005, 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. The following record keeping violation was revealed during the audit of Local 424's 2004 records:

Union officers failed to retain adequate documentation for expenses charged to union credit cards. 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 paid for by the union and the locations (names of restaurants) where meal expenses were incurred must also be recorded.

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.

As agreed, provided that Local 424 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The CAP also disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. Local 424 amended its bylaws in 1998, but a copy of the bylaws was not filed with Local 424's LM-2 report for that year. Two copies of Local 424's most recently amended bylaws have now been filed.

I strongly recommend that you make sure that this letter and the compliance assistance materials that have been provided to you are passed on to your successor at whatever time you may leave office. I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If I can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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Investigator

Enclosures

cc: Ed Flaherty