

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
1111 Third Avenue
Suite 605
Seattle, WA 98101
(206) 398-8099 Fax:(206) 398-8090



May 29, 2008

Mr. David Van Ausdle, Financial Secretary
Carpenters IND, Local 151
371 Pearce Road
Port Angeles, WA 98362

LM File Number: 542-411
Case Number: [REDACTED]

Dear Mr. Van Ausdle:

This office has recently completed an audit of Carpenters IND, Local 151 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 May 16, 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.

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 Local 151's 2007 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 151 records of meal expenses did not include the names and titles of the persons incurring the restaurant charges. For example, vouchers and receipts were kept for all of the union executive board dinners, however the names and titles of attendees was absent. 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.

2. Lack of Salary Authorization

Local 151 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) were accurate. The union must keep a record, such as meeting minutes, to show the current salary is authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 151 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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-3) filed by Local 151 for fiscal year ending December 31, 2007, was deficient in the following area:

Disbursements to Officers

Local 151 did not include some reimbursements to officers totaling at least \$919.61 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 151 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).

I am not requiring that Local 151 file an amended LM report for 2007 to correct the deficient items, but Local 151 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Carpenters IND, Local 151 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: Mr. Al Barry, President