

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
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June 9, 2006

Ms. Karen Reynolds, Treasurer
Carpenters, Ind.
Local 2001
16916 Staytonville Road
Lincoln, DE 19960

Re: Case Number: XXXXXXXXXX

Dear Ms. Reynolds:

This office has recently completed an audit of Carpenters, Local 2001 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 Karen Reynolds and Dottie Shoff on May 16, 2006, 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 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 the 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 2001's records for the year ending June 30, 2005 revealed the following recordkeeping violations:

- Union officers failed to maintain adequate documentation for all reimbursed expenses. On four instances during the audit year submitted vouchers did not provide adequate detail regarding the location and the nature of the union business being conducted.
- Union officers failed to maintain meeting minutes for the fiscal year ending June 30, 2005. While copies of the minutes for review were promised, they were never located.

As agreed, provided that Local 2001 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Reporting Violations

The CAP disclosed a violation of LMRDA Section 201, which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The law requires the president and treasurer or corresponding principal officers of each labor organization to file an annual financial report with this Agency within 90 days after the end of its fiscal year. The Labor Organization Annual Report (Form LM-3) filed by Local 2001 for the fiscal year ending June 30, 2005 was delinquent and was not provided until the audit was initiated.

Since the delinquent report was submitted during the audit, no further enforcement action will be taken.

I want to extend my personal appreciation to Carpenters, Local 2001 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.

Ms. Karen Reynolds
June 9, 2006
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Sincerely,

Peter Papinchak
District Director

cc: Celeste Woodall