

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 14, 2009

Mr. Leiter Hockett, Financial Secretary
Carpenters Ind Local 2396
4695 Pacific Hwy East
Fife, WA 98424

LM File Number 029-898
Case Number: [REDACTED]

Dear Mr. Hockett:

This office has recently completed an audit of Carpenters Ind Local 2396 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 April 3, 2009, 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.

Reporting Violation

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 2396 for fiscal year ending June 30, 2008, was deficient in that the local failed to file its most recent bylaws.

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 2396 amended its bylaws in 2007, but did not file a copy with its LM report for that year. Local 2396 has now provided an updated a copy of its bylaws to OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 2396's officers and employees are currently bonded for \$70000, but they must be bonded for at least \$74530. Local 2396 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than May 5, 2009.

I want to extend my personal appreciation to Local 2396 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: Roger Hornbuckle, President