



December 7, 2012

Mr. Dwayne Young, President
Carpenters IND Local 71
5215 Kelley HWY
Fort Smith, AR 72904-5120

Case Number: [REDACTED]
LM Number: 028850

Dear Mr. Young:

This office has recently completed an audit of Carpenters IND Local 71 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 December 5, 2012, 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 Violation

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 71's 2012 records revealed the following recordkeeping violation:

Lack of Salary Authorization

Local 71 Office Secretary/Office Manager Irene Dennis provided that her current salary, including pay raises, was authorized by Local 71's membership 12 years ago. Local 71 failed to provide any supporting documents or records to verify Dennis' salary reported

in item 46 (To Employees) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 71 will take corrective actions to maintain a record, such as minutes to show Dennis' current salary authorized by the entity or individual in the union with the authority to establish salaries, OLMS will take no further enforcement action at this time regarding this violation.

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 71 for the fiscal year ended June 30, 2012, was deficient in the following area:

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. Carpenters Local 71 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year.

Two copies of Local 71's amended bylaws must be submitted to the OLMS Dallas District upon approval of the Carpenters International Union.

I want to extend my personal appreciation to Carpenters IND Local 71 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