

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
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March 21, 2005

Ian Main, Financial Secretary  
Carpenters, AFL-CIO, Local 58  
3545 W. Peterson  
Chicago, IL 60659

Re: 1

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Dear Mr. Main:

This office has recently completed an audit of Carpenters Local 58 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 on March 10, 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.

**Record Keeping Violations**

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 violations were revealed during the audit of Local 58's fiscal year ending June 30, 2004, records:

- 1) Supporting documentation was not maintained for raffle tickets sold at monthly membership meetings. Additionally, documentation was not maintained for raffle tickets sold at the annual Thanksgiving/Pin party. A journal of raffle tickets sold and monies received should be updated after every sale. The numerical sequence of tickets sold should be documented in the journal on a monthly basis.
- 2) A listing of members who won raffle prizes at monthly membership meetings was not maintained. Additionally, documentation was not maintained for winners of raffle prizes at the Thanksgiving/Pin party. Proper internal controls need to be maintained when awarding raffle prizes. Both donated and

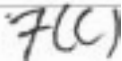
union purchased prizes need to be accounted for. A note taker should document the recipient of each prize. Another internal control option is to have the raffle prize recipients sign-off on a prize inventory list once they receive their prize.

3) Circus tickets were purchased by the local and given out to union members without any documentation. Since a majority of the local membership did not receive a ticket, a journal should be maintained that lists how many tickets were given away to each individual member.

As agreed, provided that Local 58 maintains adequate documentation for its receipts and disbursements in the future, no additional enforcement action will be taken regarding these violations.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,



Investigator

cc: Jeffrey Isaacson, Local 58 President