

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 8, 2005

Brad Johnson, Financial Secretary
Carpenters, AFL-CIO, Local 2154
1125 SE Madison Street, Suite 207
Portland, OR 97214

Re:

Dear Mr. Johnson:

This office has recently completed an audit of Carpenters Local 2154 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 17, 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.

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.

In a few instances, Carpenters, Local 2154, failed to keep union records to verify, explain or clarify, or to use in checking on the accuracy or completeness of reports required to be filed with the Secretary of Labor. A spot check revealed that receipts or back up documentation for some union expenditures were missing. There was no back up for union check #6065 to Pitney Bowes or #5403 to Qwest. Since the Secretary-Treasurer promised to correct this deficiency and retain all receipts and back up documentation for all union disbursements in the future, no further action is contemplated at this time.

Another deficiency noted was that bonding coverage for all officers and employees was deficient. LMRDA Title II, Section 502 establishes bonding requirements. When notified of lack of coverage, Carpenters 2154 agreed to increase their coverage and will soon be in compliance with the LMRDA.

7(c) recommended the Local 2154 use the new "Check Request Form" when requesting the office staff to prepare union disbursements. This will serve as a better back up for miscellaneous union disbursements and will help categorize them by expense code. Additionally, it was recommended that old files of back up documentation be retired to the storage area and cleared out of the files so that only the current years records are maintained in the office.

7(c) also noted that Carpenters Local 2154 has excellent separation of powers by officers and office employees. This makes for good checks and balances for handling dues, writing checks, making deposits and transfers, auditing financial records by trustees and your accountant auditors. Your use of Quick Books is also an excellent tool in maintaining your financial records. Additionally, it was noted that new Office Manager Sarah Ryan was of great help and assistance during the audit and she should continue to be a valuable asset to the union.

Finally, I want to extend my personal appreciation for you and your entire union'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,

Michael Duvall
District Director