

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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St. Louis, Missouri 63103
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November 14, 2005

Mr. Scott Snow, Financial Secretary
Carpenters Local 725
215 ½ North Old Route 66
Litchfield, Illinois 62056

Dear Mr. Snow:

This office has recently completed an audit of Carpenters Local 725 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 November 9, 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 record keeping requirements for officers of labor unions. Section 206 requires officers to maintain records that verify, clarify, and explain all receipts and disbursements activity. These records are required to be maintained for a period of five years. As a general rule, this includes all records created or received during the normal course of union business. This also includes all historical records which are reported on the annual LM report filed with OLMS which are over the five year period such as member resolutions

During the audit of your union, it was disclosed that Local 725 was in violation of Section 206. Local 725 failed to maintain records for inventory of assets as well as various supporting documentation for disbursements. You agreed during the exit interview that you were going to maintain records in greater detail in the future; therefore, this matter is considered resolved during the compliance audit.

The CAP also disclosed a violation of LMRDA Section 201(a) that requires unions to submit a copy of their current constitution and bylaws with its LM report when changes or amendments are made. Local 725 amended its constitution and bylaws, but a copy was not filed with the Department of Labor, Office of Labor Management Standards. A copy of your current bylaws was supplied during the audit and no further action is required.

The CAP also disclosed a violation of LMRDA Section 201(b), Section 3, because the Labor Organization Annual Report (Form LM-3) filed by Local 725 for fiscal year ending June 30, 2004, was deficient in the following areas:

- Failed to report employee expenses for Betty Sternickle as the union's bookkeeper.
- Failed to report officer reimbursement from the recreational fund for union officers Scott Snow, Ernest White, and Mark Sellers.

These deficiencies were discussed with you during the exit interview. You have agreed to correct these deficient areas in regards to future reports filed with OLMS. Since no willfulness was found in the above violations, no further actions are necessary in these areas.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

Dennis L. Eckert
District Director

By

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Investigator

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