

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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November 9, 2009

Mr. Mark Cohea, Financial Secretary
Carpenters
Local 1008
17120 Pike 1223
Bowling Green, MO 63334

LM File Number 015-640
Case Number: [REDACTED]

Dear Mr. Cohea:

This office has recently completed an audit of Carpenters Local 1008 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 October 28, 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.

Recordkeeping Violations

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 1008's 2008 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Local 1008 did not maintain records to verify that the salaries reported in Item 24 (All Officers and Disbursements to Officers) 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.

2. Fixed Assets Inventory

Local 1008 did not maintain an inventory of fixed assets. The union must report the book value at the start and end of the reporting period of all fixed assets such as land, buildings, automobiles, and office furniture and equipment owned by the local in Item 29 (Fixed Assets) of the LM-3. The union must retain an inventory or similar record to verify, clarify, and explain the information that must be reported in Item 29.

3. Deficient Records

Local 1008 did not maintain adequate documentation for receipts and disbursements. For example, July's statement from [REDACTED]; meeting minutes; and several months of dues receipts were missing.

As previously noted, labor organizations must retain records on the matters required to be reported which will provide in sufficient detail the necessary basic

information and data from which the documents filed with the Secretary may be verified, explained or clarified, and checked for accuracy and completeness.

Based on your assurance that Local 1008 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 1008 for fiscal year ending June 30, 2008, was deficient in that the local improperly included a transfer in Statement B (Receipts and Disbursements). For example, \$5,509.10 was transferred between separate bank accounts of your organization and was reported as both a receipt and disbursement. The purpose of Statement B is to report the flow of cash in and out of your organization during the reporting period; therefore, transfers should not be reported as receipts and disbursements.

I am not requiring that Local 1008 file an amended LM report for 2008 to correct the deficient items, but Local 1008 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Carpenters Local 1008 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: Ken McCarthy, President