



February 10, 2011

Kenneth T. Hawkins, President
Carpenters IND Local 429
3206 Pleasant Valley Lane
Arlington, TX 76015-2913

Case Number: [REDACTED]
LM Number: 517454

Dear Kenneth T. Hawkins:

This office has recently completed an audit of Carpenters IND Local 429 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 Financial Secretary Shawn Walker and Office Manager Rene Pinon on February 7, 2011 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 429's 2010 records revealed the following recordkeeping violation:

Lease Income

Local 429 did not maintain supporting documentation for office space it currently leases within their building located at 3206 Pleasant Valley Lane in Arlington, Texas. The lease agreements are based on verbal contracts which were made over five years ago by the previous union president. The first lease agreement is held between Local 429 and the Texas Carpenters & Millwright Regional Council which pays the local a monthly rental payment of \$122.25 per month. The second lease agreement is held between Local 429 and Millwright Local 1421 which pays a monthly rental payment of \$400.00 per month. The union must obtain signed lease agreements for every lease they are a party to. The signed lease agreements must be maintained to verify, clarify, and explain the information that must be reported on the LM report.

When the above mentioned lease agreements have been created and signed, please forward a copy of those agreements to me at the above address.

Based on your assurance that Local 429 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Carpenters IND Local 429 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: Shawn Walker, Financial Secretary