

U.S. Department of Labor

Employment Standards Administration
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February 14, 2005

Richard Dean
Treasurer, Carpenters Local 275
411 Lexington Street
Newton, MA 02166

Re: 2

Dear Mr. Dean

This office has recently completed an audit of Carpenters Local 275 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 February 11, 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. With respect to documentation retained in support of specific disbursements (including those in payment of credit card charges), the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The CAP disclosed the following record keeping violations:

1. Union officers failed to retain adequate documentation for reimbursed expenses. Examples of such missing documentation include a hotel invoice, receipts for gas and restaurant charges, and purchases of gift items relating to union-organized charitable events. The date, amount, and business purpose of every expense must be recorded on at least one union record.
2. Local 275 failed to accurately record and account for \$205.00 in monies received for the sale of hats and shirts. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date that the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that Local 275 maintains adequate documentation for its disbursements and receipts in the future, no additional enforcement action will be taken regarding these violations.

The CAP also disclosed a violation of LMRDA section-201(b), because the Labor Organization Annual Report (Form LM-) filed by Local 275 for fiscal year ending June 30, 2003 was deficient in the following areas:

Local 275 failed to include reimbursements to an officer in the amounts reported in Schedule 9 (All Officers and Disbursements to Officers). In particular, recording secretary Kevin Kelley received \$2,150.00 for working on maintenance and repair of the union hall. This amount should have been reported in Column G (Other Disbursements) next to Kelley's name in Schedule 9.

Direct disbursements to officers and employees for reimbursement of expenses incurred while conducting union business must be reported in Column F of Schedules 9 and 10 (Disbursements for Official Business). In addition, indirect disbursements made to another party (such as a credit card company) for business expenses incurred by union personnel must also be reported in Column F of Schedules 9 and 10. Any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business must be reported in Column G of Schedules 9 and 10 (Other Disbursements).

I am not requiring that Local 275 file an amended LM- report for 2003 to correct the deficient item, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

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

FCC

FCC

Investigator