

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 7, 2005

John Winfield, Financial Secretary
Carpenters Local 1121
90 Braintree Street
Allston, MA 02134

Re:

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Dear Mr. Winfield:

This office has recently completed an audit of Carpenters Local 1121 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, John Farren, and Ed Flaherty on April 6, 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.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-2) filed by Local 1121 for fiscal year ending June 30, 2003 was deficient in the following areas:

1. Local 1121 failed to include some reimbursements to officers and employees in the amounts reported in Schedule 9 (All Officers and Disbursements to Officers) and Schedule 10 (Disbursements to Employees). Such payments appear to have been erroneously reported in Schedules 13 (Office and Administrative Expenses) and Schedule 15 (Other Expenses).

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. However, indirect disbursements for business expenses incurred for transportation by a public carrier (such as an airline) and for temporary lodging expenses incurred while traveling on union business must be reported in Schedule 13 (Office and Administrative Expenses). 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 1121 file an amended LM-2 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

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. The following record keeping violation was revealed during the audit of Local 1121's 2003 records:

1. Union officers and employees who were assigned union owned and leased automobiles failed to maintain mileage logs documenting the business use of union vehicles. In the case of union owned and leased vehicles, logs are required to be maintained for each union vehicle documenting the date, number of miles driven, and business purpose of each use. In the case of reimbursed mileage expenses for personal vehicles used for business travel, records must be maintained which identify the date of travel, locations traveled to and from, number or miles driven, and the business purpose of each use.

As agreed, provided that Local 1121 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation. It has been noted during the exit interview that Local 1121's officers are assigned union owned automobiles through the New England Regional Council and that they no longer receive mileage reimbursement from Local 1121.

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. Local 1121 amended its constitution and bylaws in 1999, but a copy of the constitution and bylaws was not filed with Local 1121's LM-2 report for that year.

Two copies of Local 1121's bylaws have now been filed.

I strongly recommend that you make sure that this letter and the compliance assistance materials that have been provided to you are passed on to yours and Mr. Farren's successors at whatever time you may leave office. 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

Investigator