

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
St. Louis District Office  
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July 20, 2005

Mr. Wesley Nettles, President  
Carpenters Local 412  
16 Juno Drive  
Wentzville, Missouri 63385

Dear Mr. Nettles:

This office has recently completed an audit of Carpenters Local 412 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 July 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. 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 CAP revealed that adequate backup documentation for at least two disbursements by the local was not maintained. Check number 4, dated October 7, 2003, for \$1,490.39, did not have backup documentation other than approval of the purchase in the membership meeting minutes. Check number 4, dated November 19, 2003, for \$1,200, did not have backup documentation other than a union generated duplicate receipt. As explained above, each disbursement must have some form of documentary backup to establish the union related purpose and actual amount of expenses. Examples of documentation include 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.

As agreed, provided Local 412 maintains adequate documentation for its disbursements in the future, no additional action will be taken regarding this violation.

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 412 amended its constitution and bylaws in 1999, but a copy of the constitution and bylaws was not filed with the local's LM-3 report for that year.

Two copies of the Local 412 bylaws were obtained during the audit. Therefore, this matter has been resolved.

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,

Dennis L. Eckert  
District Director

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By: *DLE*  
Investigator

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