



June 28, 2011

Mr. William Polson, President  
Carpenters Local 106  
3851 Delaware Ave.  
Des Moines, IA 50313

Case Number: [REDACTED]  
LM Number: 029854

Dear Mr. Polson:

This office has recently completed an audit of Carpenters Local 106 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 and Deanna Stajcar on June 23, 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.

#### Reporting Violations

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-2) filed by Local 106 for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Reporting of Investments as Cash

Local 106 improperly reported the value of investments as cash in Statement A line 22. Cash includes funds in checking accounts, savings accounts, certificates of deposit, and money market accounts. Investments are funds held in accounts such as mutual funds, stocks, and securities. Local 106 was also informed that a purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements. The purchasing and selling of investments should be reported properly on Schedules 3 and 4.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 106 amended has amended its bylaws since 1999, but did not file a copy with its LM report for that year.

Local 106 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 106 file an amended LM report for 2010 to correct the deficient items, but Local 106 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 106 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,

A solid black rectangular box used to redact the signature of the sender.

Senior Investigator