

**U.S. Department of Labor**

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January 14, 2008

Ms. Mary Chubb, President  
Carpenters Ind.  
Local 1312  
10300 Julius Northway  
St. Louis, MO 63127-1423

LM File Number 541-570  
Case Number: [REDACTED]

Dear Ms. Chubb:

This office has recently completed an audit of Carpenters Local 1312 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, President Mary Chubb, and Treasurer/Financial Secretary Andreas "Sonny" Aumer on January 11, 2008, 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 CAP 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-3 filed by Local 1312 for fiscal year ending June 30, 2006, was deficient in that they failed to include some reimbursements to Officer Stephanie Passero, Conductor, in Item 24, Column D (Gross Salary). Such payments appear to have been erroneously reported in Item 24, Column E (Allowances and Other Disbursements) which totals \$24,830.00.

The gross salary of Local 1312's officers (before tax withholdings and other payroll deductions) must be reported in Item 24, Column D. The total of all other direct and indirect disbursements to each officer other than salary, including allowances, disbursements which were necessary for conducting official business of your organization, and disbursements essentially for the personal benefit of the officer and not necessary for conducting official business of your organization needs to be reported in Item 24, Column E. Therefore, Local 1312's Annual Report Form LM-3 filed for fiscal year ending June 30, 2006 should have demonstrated the disbursements for Stephanie Passero as \$19,200 in Item 24, Column D and \$5,630.00 in Item 24, Column E.

In view of the fact that Local 1312 has terminated, I am not requiring that you file an amended LM report for 2006 to correct the deficient items.

#### Other Issues

During the audit, you advised that Susan Vinson signs blank checks in advance. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, countersigning a blank check in advance does not attest to the authenticity of a completed check and completely circumvents and undermines the whole purpose of the countersignature requirement.

I want to extend my personal appreciation to Carpenters Local 1312 for the cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Sonny Aumer, Treasurer/Financial Secretary