



August 30, 2010

Mr. Michael Toughill, President  
Carpenters Local 244  
P.O. Box 1344  
Vail, CO 81658

Case Number: [REDACTED]  
LM Number: 043307

Dear Mr. Toughill:

This office has recently completed an audit of Carpenters Local 244 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 August 25, 2010, 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.

#### Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records 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, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 244's 2009 records revealed the following recordkeeping violation:

#### 1. General Reimbursed and Credit Card Expenses

Local 244 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the union officers totaling approximately \$1,000. Union records must include written explanations of the union business conducted and the full names and titles of all persons who incurred the charges. For example, when the president uses the union

credit card to pay for food for the meetings, the president needs to submit itemized receipts for meal expenses. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206

2. Expenses for Professional Fees

Local 244 did not maintain records necessary to verify the accuracy of payments made to Bookkeeper Colleen Callan totaling at least \$ 1,138. The union must maintain records in support of payments made for professional fees that identify when the work occurred, the number of hours worked, the applicable rate of pay, and a description of the work done.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

3. Reimbursed Auto Expenses

Local 244's officers who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$800 during 2009. The union must maintain records, which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

During the exit interview, I provided a sample of an expense voucher Local 244 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for mileage and travel expenses.

Based on your assurance that Local 244 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Carpenters Local 244 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,



Investigator