

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Chicago District Office  
230 S. Dearborn Street, Suite 774  
Chicago, IL 60604



(312) 596-7164 / FAX: (312) 596-7174

August 5, 2008

Mr. Salvatore Bartolone  
Financial Secretary - Treasurer  
United Brotherhood of Carpenters, Local 558  
245 West Roosevelt Road  
West Chicago, IL 60185

LM File Number 009-186  
Case Number [REDACTED]

Dear Mr. Bartolone:

This office has recently completed an audit of United Brotherhood of Carpenters and Joiners of America (UBC) Local 558 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 with Local 558 President Mark Maher, Vice President Joseph Weber, and yourself during the exit interview on July 29, 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.

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 explained, verified, 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 the 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 the 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 records 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 558's records revealed the following recordkeeping violations:

1. Receipt Dates not Recorded

Entries in Local 558's day book recorded the date money was deposited, but not the date the money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-2. The LM-2 Instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Disposition of Property

Local 558 failed to maintain a current inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and the end of each year. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

3. Lack of Salary Authorization

Local 558 did not maintain records to verify that the salaried reported in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees) of the Labor Organization Annual report (Form LM-2) paid to Local officers and employees was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 558 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

Duplicate Receipts

Members of Local 558 pay dues directly to the union. Either Secretary Rebecca Peters or yourself record dues payments in the union receipt's journal, but do not consistently issue receipts to dues payers. OLMS recommends that Local 558 use a duplicate receipt system where the union issues original pre-numbered receipts to all members who make payments directly to the union and retains copies of those receipts. A duplicate receipt system is an

effective internal control because it ensures that a record is created of income which is not otherwise easily verifiable. If more than one duplicate receipt book is in use, the union should maintain a log to identify each book, the series of receipt numbers in each book, and to whom each book is assigned.

I want to thank you for your office's cooperation and courtesy during this compliance audit. I strongly recommend that you make sure that this letter and the compliance assistance material provided to you is passed on to your successor at whatever time you may leave office. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

A solid black rectangular redaction box covering the signature of the Sr. Investigator.

Sr. Investigator

cc: Mark Maher, Local 558 President