

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Minneapolis Resident Investigator Office  
900 Second Avenue South, Suite 450  
Minneapolis, MN 55402  
(612)370-3111 Fax: (612)370-3107



March 13, 2008

Mr. Ruben Stewart, President  
Carpenters Ind Local 596  
670 Olive Street  
St. Paul, MN 55130

LM File Number: 032-260  
Case Number: [REDACTED]

Dear Mr. Stewart:

This office has recently completed an audit of Carpenters Local 596 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 Financial Secretary Terry Nali, office assistant Nancy Cieslak, and office assistant Danielle Schweitzer on Wednesday, February 27, 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 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 596 for fiscal year ending June 30, 2007, was deficient in the following areas:

1. Item 15 - Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union regularly gives away t-shirts and other items during membership meetings. The type and value of any property received or given away must be reported in Item 69 (Additional information) of the LM report along with the identity of the recipient(s) or donor(s) of such property. Recipients

can be described by broad categories if appropriate such as “members” or “new retirees.”

2. Item 33 – Other Liabilities

Item 33 (Other Liabilities) should include liabilities for paid time off (PTO). A provision in the OPEIU contract allows Local 596 to buy back unused PTO from office staff. The contract also provides that unused sick leave will be paid to a beneficiary in the event an employee passes away. The value of these items must be included in Item 33 of the Local’s LM-2 report.

3. 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 596 amended its constitution and bylaws in 2000, but did not file a copy with its LM report for that year. Local 596 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 596 file an amended LM report for 2007 to correct the deficient items, but Local 596 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 596 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

cc: Terry Nali, Financial Secretary  
George D. Betts, CPA