

U.S. Department of Labor

Office of Labor-Management Standards
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March 3, 2010

Mr. John Del Sordi,
Treasurer
Carpenters, Local 715
3 Quine Street
Cranford, NJ 07016

Re: Case Number: [REDACTED]

Dear Mr. Del Sordi:

This office has recently completed an audit of Carpenters Local 715 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 Mike D'Agostino, Business Manager on March 2, 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.

The CAP disclosed the following:

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 715's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 715 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Business Manager Mike D'Agostino totaling at least \$330. For example, meal expenses totaling approximately \$250 and floral arrangements totaling \$80 incurred on union's credit card by cardholder D'Agostino.

As previously 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.

Based on your assurance that Local 715 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 715 for fiscal year ending June 30, 2009, was deficient in the following areas:

1. Cash Reconciliation (Form LM-2 Items 25A and 25B)

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements for the audit period July 1, 2008 through June 30, 2009. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. Specifically, the audit showed that Item 25 A totaled \$623,661 and Item 25 B totaled approximately \$625,691.

2. Total Receipts (Form LM-2 Item 49)

The union inadvertently reported in Form LM-2 Item 49 Total Receipts the amount of \$246,449 for the audit period ending June 30, 2009. However, the audit findings reflected total receipts as \$248,000.

3. Other Receipts (Form LM-2 Item 48)

The organization reported in Item 48 \$78,849. However, the audit showed the total amount of Item 48 Other receipts was \$80,134 which includes reimbursements from New Jersey Regional Council of Carpenters (rebates), Entertainment Committee and Carpenters LU 155. It appears that the union inadvertently did not include the total amount received from Carpenters LU 155 for reimbursements of shared secretarial services and office equipment during audit period ending June 30, 2009.

4. Total Disbursements (Form LM-2 Item 68)

Local 35 inaccurately reported the total amount of disbursements in Form LM-2 during the audit period ending June 30, 2009. The organization's LM-2 report, Item 68 Total Disbursements reflected \$243,964. However, the audit disclosed that the organization's total disbursements were approximately \$245,970.

A review of the union's records showed that the differences mentioned above in items 1-5 were attributed to accounting errors. As a result, Local 715 must file an amended Form LM-2 for fiscal year ending June 30, 2009, to correct the deficient items discussed above. I explained to you that because the labor organization's receipts were under \$250,000, the union can file Form LM-3 instead of the Form LM-2. Form LM-2 is required for labor organizations with \$250,000 or more in total annual receipts. You can obtain instructions for filing procedures and the availability of filing software on the OLMS website (www.olms.dol.gov). The amended Form LM-3 or LM-2 must be electronically filed as soon as possible,

but not later than March 19, 2010. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to Carpenters LU 715 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: Edwin Sauerberger, President