



August 9, 2022

Mr. James Banks, Executive Secretary-Treasurer
Carpenters Ind
Regional Council 4254
2860 NW 27 Ave
Ft. Lauderdale, FL 33311

Case Number: 410-6023728()
LM Number: 543288

Dear Mr. Banks:

This office has recently completed an audit of Carpenters Ind Regional Council 4254 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 Office Manager Maria Jimenez on July 27, 2022, 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 Regional Councils 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Regional Council 4254 did not retain adequate documentation for credit card expenses

incurred by Council Representatives Miguel Saldivar and Ronnie Rogers totaling at least \$150.00. There was no documentation for Rogers' \$50.00 Sun Pass toll charge incurred on July 5, 2020 or Saldivar's \$100.00 Sun Pass toll charge incurred on August 27, 2020.

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.

2. Meal Expenses

Regional Council 4254 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$221.33. 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.

Regional Council 4254's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, the records for President/Area Manager Frank D'Angelo's meal at Toppings Pizza on July 1, 2020, Industrials Local Manager Jason Weitzel's meal at Zaxby's on August 19, 2020, and Council Representative Joseph Steven's meal at the Galaxy Diner on March 29, 2021 did not include a written explanation of the union business conducted. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Regional Council 4254 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 Regional Council 4254 for the fiscal year ended June 30, 2021 was deficient in the following areas:

1. Money Market Account reported as Investment

Regional Council 4254 improperly included the value of a money market account as an investment in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers the funds in money market accounts to be cash.

2. Disbursements to Officers and Employees

Regional Council 4254 did not report former president [REDACTED] on Schedule 11 (All Officers and Disbursements to Officers). The LM-2 instructions require that the name of each person who held office in the labor organization at any time during the reporting period be listed on Schedule 11. This is to include all the labor organization's officers whether or not any salary or other disbursements were made to them or on their behalf by the labor organization.

Regional Council 4254 reported President Pro Tempe Frank D'Angelo on Schedule 11 (All Officers and Disbursements to Officers) but did not indicate the manner in which he was chosen for the position in Item 69 (Additional Information). The LM-2 instructions state that if an officer was not elected at a regular election in accordance with the labor organization's constitution and bylaws or other governing documents on file with OLMS, the manner in which the officer was chosen must be explained in Item 69 (Additional Information).

3. Failure to File By-Laws

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. Regional Council 4254 amended its constitution and bylaws in 2004 but did not file a copy with its LM report for that year.

Regional Council 4254 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Carpenters Regional Council 4254 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,

[REDACTED]

Investigator

cc: Mr. Frank D'Angelo, President