



September 21, 2022

Mr. Dwight Murrah, Financial Secretary/Treasurer
Carpenters Local 2232
2151 Alabama Street
Pasadena, TX 77503

Case Number: 420-6025128()
LM Number: 012681

Dear Mr. Murrah:

This office has recently completed an audit of Carpenters Local 2232 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 September 21, 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 Local 2232's fiscal year ended June 30, 2021 records revealed the following recordkeeping violation:

Meal Expenses

Local 2232 did not require officers to submit itemized receipts for meal expenses totaling at least \$223. 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.

Local 2232 records of meal expenses did not always include the names and titles of the persons incurring the restaurant charges. For example, \$702.87 of union meal charges failed to record the attendees and their titles. 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 Local 2232 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 2232 for the fiscal year ended June 30, 2021, was deficient in the following areas:

1. Officer Salaries

Local 2232 erroneously reported the officers' monthly part time salaries in Schedule 11, Column F (Disbursements for Official Business) instead of Schedule 11, Column D (Gross Salary Disbursements). Officer gross salaries, including disbursements for "lost time" reimbursements or time devoted to union activities must be reported in Schedule 11, Column D.

2. Disbursements to Officers and Employees

Local 2232 did not include union business meal expenses totaling at least \$702.87 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 2232 file an amended LM report for the fiscal year ended June 30, 2021 to correct the deficient items, but Local 2232 has agreed to properly report the deficient items on all future reports it files with OLMS. Local 2232 has also agreed to file all future reports electronically.

I want to extend my personal appreciation to Carpenters Local 2232 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,

A solid black rectangular box redacting the signature of the sender.

Senior Investigator