



May 30, 2023

Mr. Daniel Siverston, Treasurer
Carpenters Local 1090
7225 Sunset Strip Avenue, NW
Canton, OH 44720

Case Number: 350-6025419()
LM Number: 544-650

Dear Mr. Siverston:

This office has recently completed an audit of Carpenters Local 1090 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, Financial Secretary Keith Kistler, and Office Secretary Chrissy Bowen on March 22, 2023, 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 1090's June 30, 2022 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 1090 did not retain adequate documentation for a reimbursement to a Local 1090 member and for expenses charged on union credit cards issued to Financial Secretary Keith Kistler and former President Don Crane, totaling at least \$4,055.40. For example, a reimbursement of \$300.00 for painting and materials did not include receipts to support the reimbursement to the union member. For credit cards, charges totaling \$3,755.40 did not have receipts or supporting documentation for purchases made at USPS, IDOA Parking, Kroger, Quill Corporation, restaurant catering for membership meetings, and recurring monthly expenses to Adobe.

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.

Based on your assurance that Local 1090 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 1090 for the fiscal year ended June 30, 2022, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 LM-2 (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 gave away shirts, pins, bolt bags, pocketknives and other promotional items totaling more than \$24,807.33 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Total Receipts and Total Disbursements

The audit of Local 1090's records for the fiscal year ending June 30, 2022, revealed the total receipts and total disbursements were underreported by \$2,188 on the LM-2 report for the same year. It appears receipts for golf income and postage income received during the year were offset against their respective expenses, resulting in the lower "net" amount only being recorded on the disbursements side of Statement B.

Per the LM-2 report instructions, the purpose of Statement B is to report all cash flowing in and out of your organization. Therefore, "netting" is not permitted.

Local 1090 must file an amended Form LM-2 for the fiscal year ended June 30, 2022, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-2 must be filed no later than June 16, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Carpenters Local 1090 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: Mr. James Foster, President
Mr. Keith R. Kistler, Financial Secretary