



August 10, 2023

Mr. Thomas M. Lajti, President  
Carpenters Local 351  
9278 Pro Bass Boulevard  
Rossford, OH 43460

Case Number: 350-6025786( )  
LM Number: 544-516

Dear Mr. Lajti:

This office has recently completed an audit of Carpenters Local 351 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 Treasurer Mike Gibson, Financial Secretary Dan Morey, and Administrative Assistant Michelle Drewes on March 30, 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.

#### 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 351 for the fiscal year ended June 30, 2023, was deficient in the following areas:

##### 1. Disposal 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 union apparel to members and various gifts during a conference meeting totaling approximately \$7,747.14 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. Schedules 11 & 12 Payroll Deductions

The local failed to record the Less Deduction lines in Schedule 11 – Disbursements to Officers and Schedule 12 – Disbursements to Employees for payroll taxes withheld from Local 351 officers' and employee salaries.

The Form LM-2 Instructions requires unions to enter the total amount of withheld taxes, payroll deductions, and all other deductions on the "Less Deductions" line of Schedule 11 and Schedule 12. Properly completed Schedules 11 and 12 deductions should then reconcile with Item 67a on Statement B. Item 67a shows the total amount of payroll taxes and deductions withheld from officers and employees, which must agree with the sum of the amounts reported on the Less Deductions lines of Schedules 11 and 12.

## 3. 50/50 Raffle Receipts Records

Local 351 did not report total receipts of \$954.00 for monthly 50/50 raffles during the audit year that benefited the local's Mutual Aid Fund. Instead, the local simply recorded the local's portion collected as receipts totaling \$477.00 without recording the disbursement to the raffle winner. This resulted in the local "netting" the receipts and disbursements.

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

I am not requiring that Local 351 file an amended LM report for June 30, 2022 to correct the deficient items, but Local 351 has agreed to properly report the deficient items on all future reports it files with OLMS. Local 351 has also agreed to file all future reports electronically.

I want to extend my personal appreciation to Carpenters Local 351 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. Michael J. Gibson, Treasurer  
Mr. Daniel Morey, Financial Secretary