



March 6, 2014

Mr. James Richmond, Treasurer
Carpenters Local 409
533 S Fremont Ave. Ste 401
Los Angeles, CA 90071

Case Number: 520-6000481 [REDACTED]
LM Number: 519384

Dear Mr. Richmond:

This office has recently completed an audit of Carpenters Local 409 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, Bookkeeper Isabel Gutierrez, and Attorney John Decarlo on January 30, 2014, 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 Violation

Failure to File Bylaws

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. Local 409 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Local 409 has now filed a copy of its constitution and bylaws.

Other Issues

Signing Blank Checks

During the audit, you advised that President Mark Johnson signs blank checks. Your union's constitution requires that all checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 409 review these procedures to improve internal control of union funds.

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I want to extend my personal appreciation to Carpenters Local 409 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. Mark Johnson, President