

**U.S. Department of Labor**

Employment Standards Administration  
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September 8, 2009

Mr. Jim Carlsen, Vice President/Business Manager  
Elevator Constructors, AFL-CIO, Local 71  
3800 NW 35th Avenue  
Miami, FL 33042

LM File Number 044-688  
Case Number: [REDACTED]

Dear Mr. Carlsen:

This office has recently completed an audit of Elevator Constructors Local 71 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, Dawn Uffner, and Michael Hynds on August 4, 2009, 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.

The CAP disclosed:

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 71's 2008 records revealed the following recordkeeping violations:

1. Maintaining Cancelled checks

Local 71 did not maintain all of its cancelled checks for its disbursements. The union must retain all bank records for all accounts so to verify, clarify and explain information in Item 68 of the LM-2.

2. Disposition of Property

Local 71 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

The union must record in at least one record the date and amount received from each sale of union hats, jackets and other items.

### Reporting Violations

1. 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 71 amended its constitution and bylaws several times since last filing its constitution and bylaws with OLMS in 2004, but did not file a copy with its LM report for those years.

Local 71 has now filed a copy of its constitution and bylaws.

Based on your assurance that Local 71 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

#### Other Violations

The audit disclosed the following other violation:

1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 71's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

#### Other Issues

1. Expense Policy

As I discussed during the exit interview with 71, the audit revealed that Local 71 does not have a clear policy regarding the 18% charged to the business manager and business agents for personal use of the union vehicles. OLMS recommends that unions adopt written guidelines concerning such matters.

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I want to extend my personal appreciation to Elevator Constructors Local 71 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: Kenneth Mittelberg, President