

U.S. Department of Labor

Office of Labor-Management Standards
Nashville District Office
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January 12, 2010

Mr. James Kerley, Treasurer
Carpenters IND
District Council
2544 Elm Hill Pike
Nashville, TN 37214

LM File Number 533-902
Case Number: [REDACTED]

Dear Mr. Kerley:

This office has recently completed an audit of Carpenters Regional District Council 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 9, 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:

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 the District Council for fiscal year ending June 30, 2008, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (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 disposed of old Dell computers and traded-in old union vehicles. The union must identify the type and value of any property received or given away in the additional information section (Item 69) 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. Schedule 4 Purchase of Investments and Fixed Assets

Column B should be the exact purchase price of the automobiles after deduction of the trade-in values. Column D should be zero for the automobiles and equipment because the union did not purchase any fixed assets with cash. Therefore, Item 14 should be reported as zero and the balance of Item 15 will change.

Since the reconciliation for the fixed assets will not balance due to reporting on past LM-2 reports, the District Council will need to explain in Item 69 that the fixed assets balance does not reconcile due to an incorrect amount on the previous LM-2, but balance should reconcile thereafter.

The District Council must file an amended Form LM-2 for fiscal year ending June 30, 2008, to correct the deficient items discussed above. I explained to you the filing procedures and the availability of filing software on the OLMS website (www.olms.dol.gov). The amended Form LM-2 must be electronically filed as soon as possible, but not later than January 30, 2010. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to Carpenters Regional District Council 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,

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Investigator

cc: Debra Godwin, Attorney