



February 22, 2024

Mr. Kelly Davis, Financial Secretary  
Carpenters Local 175  
1245 Durrett Lane  
Louisville, KY 40213

Case Number: 350-6027785  
LM Number: 544-941

Dear Mr. Davis:

This office has recently completed an audit of Carpenters Local 175 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 February 22, 2024, 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 175’s 2023 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Carpenters Local 175 did not retain adequate documentation for credit card expenses incurred by Recording Secretary Aaron Gohl totaling at least \$438. For example, no receipt was maintained for a credit card charge of \$400 on October 6, 2022 for “Which

Wich #677 Cater”. Further, no receipt was maintained for a credit card charge of \$38 on October 1, 2022 for “JW Marriott Indy Parking Indianapolis IN”.

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.

## 2. Reimbursed Auto Expenses

Union officers and employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$1,892.88 during the 2023 fiscal year. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 175 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 175 for the fiscal year ended June 30, 2023, was deficient in that:

#### 1. Disbursements to Officers and Employees

Carpenters Local 175 did not properly report salaries and reimbursements in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported all payments to officers in Schedule 11, Column E as one lump sum for the fiscal year.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expense they incurred while conducting union business. In addition, the union must report in Column F of Schedule 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 175 file an amended LM-2 report for 2023 to correct the deficient items, but Local 175 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Carpenters Local 175 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Noah Grimes, President