

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 24, 2007

Mr. Glenn Arnold, Financial Secretary
Carpenters
Local 20
900 South Avenue, Suite 54
Staten Island, NY 10310

LM File Number 033-177

Case Number: [REDACTED]

Dear Mr. Arnold:

This office has recently completed an audit of Carpenters Local 20 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 [REDACTED] and yourself on September 19, 2007, 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.

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 20's 2006 records revealed the following recordkeeping violation:

The office where the union previously occupied space experienced a fire in August 2006 that destroyed some of their records. Although an event such as fire is often uncontrollable, provisions must be made to store union records in a secure facility (e.g. small safe). I am not requiring that Local 20 file an amended LM report for 2006 to correct the deficient items, but Local 20 has agreed to properly report the deficient items on all future reports it files with OLMS.

Based on your assurance that Local 20 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

The audit also 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 20 for fiscal year ending June 30, 2006 was deficient in that Local 20 did not include some reimbursements to [REDACTED] resulting from national convention expenses; totaling at least \$500 in Schedule 11 (All Officers and Disbursements to Officers).

I am not requiring that Local 20 file an amended LM report for 2006 to correct the deficient items, but Local 20 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 20 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