



February 8, 2013

Mr. Tod Zimmerman, President
Carpenters Local 1521

Case Number: 330-08795 [REDACTED]
LM Number: 012443

Dear Mr. Zimmerman:

This office has recently completed an audit of Carpenters Local 1521 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 Treasurer June Fameree on January 14, 2013, 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 1521's 2012 records revealed the following recordkeeping violations:

1. Receipt Dates Not Recorded

Entries in Local 1521's receipts journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in

Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. General Reimbursed Expenses

Local 1521 did not retain adequate documentation for reimbursed expenses incurred by Financial Secretary Tim Fameree totaling at least \$479.88. Treasurer June Fameree stated that it has been the past practice of Local 1521 to pay half of the service fee charged to the financial secretary for Internet access. However, no documentation was found in union records to determine if \$39.99 per month was half of the monthly fee amount charged to Mr. Fameree for Internet access at his residence, and no union record was found to establish authorization for the payment of this monthly expense to the financial secretary.

Local 1521 has now provided minutes from a general membership meeting conducted on November 8, 1998 which state that the union authorized covering Internet and telephone expenses. A copy of a bill from Century Link dated February 1, 2013 in the amount of \$39.99 has also been provided.

Based on Treasurer June Fameree's assurance that Local 1521 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 Sections 201(a) and 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations and to submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. The Labor Organization Annual Report (Form LM-3) filed by Local 1521 for fiscal year ending June 30, 2010, was deficient in the following area:

Failure to File Bylaws

Item 21 (During the Reporting did the labor organization have any changes in its constitution and bylaws...) was incorrectly answered "No." Local 1521 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Local 1521 has now filed a copy of its current constitution and bylaws.

I want to extend my personal appreciation to Carpenters Local 1521 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: Mrs. June Fameree, Treasurer