



November 2, 2016

William Breslin, President  
Carpenters Local 744  
124 E. Main St.,  
PO Box 321  
Bellevue, OH 44811

Case Number: 350-6008969(77)  
LM Number: 544519

Dear William Breslin:

This office has recently completed an audit of Carpenters Local 744 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 Seth Vargo, Recording Secretary Harry Brady, and Office Secretary Becky Allgyre on October 18, 2016, 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 Violation

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 744's 2016 records revealed the following recordkeeping violations:

### Disposition of Property

Local 744 did not maintain an inventory of union merchandise it purchased. For example, \$6,420.06 in union funds was expended on T-shirts and hats, but an accurate account of these items could not be determined. 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 30 (Other Assets) of the LM-3.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

Based on your assurance that Local 744 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-3) filed by Local 744 for the fiscal year ended June 30, 2016, was deficient in that:

#### Expense Payments to Officers

Expense payments to officers were reported as salary under item 24 column D, instead of being reported as expenses under item 24 column E.

I am not requiring that Local 744 file an amended LM report for 2016 to correct the deficient item, but Local 744 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Carpenters Local 744 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: Seth Vargo, Treasurer