

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
170 S. Independence Mall West
Room 760
Philadelphia, PA 19106
(215)861-4818 Fax: (215)861-4819



July 31, 2007

Mr. Paul Swartwood, Financial-Secretary
Carpenters IND
Local Union 645
314 Pear Street
Scranton, PA 18505

LM File Number 543-197
Case Number: [REDACTED]
Amended CAP Closing Letter

Dear Mr. Swartwood:

This office has recently completed an audit of Carpenters Local 645 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, Office Manager Dawn Simpson, and President Joseph Yusinski on May 9, 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.

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 645's 2005 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses (Meals)

Local 645 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by former President John Gadomski totaling at least \$693.52. For example, during the 2005 International Convention Mr. Gadomski did not keep supporting documentation for several meal expenses totaling \$693.52 that were charged to his hotel room and were later direct-paid with the union's credit card.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses. 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.

Based on your assurance that Local 645 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Expense Policy


As I discussed during the exit interview, the audit revealed that Local 645 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to the union's credit cards. During the exit interview you and Mr. Yusinski advised me that the union adopted a clear expense policy when Mr. Yusinski became president of the local, but that this policy is not written in any union document. OLMS

Mr. Paul Swartwood
July 31, 2007
Page 3 of 3

recommends that the local adopt written guidelines concerning this issue.

I want to extend my personal appreciation to Carpenters Local 645 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: President Joseph Yusinski
Office Manager Dawn Simpson