

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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January 16, 2008

Mr. Peter Boldt, Treasurer
United Brotherhood of Carpenters and Joiners of America
Local 2119
1401 Hampton Avenue
St. Louis MO 63139

LM File Number 041-285
Case Number: [REDACTED]

Dear Mr. Boldt:

This office has recently completed an audit of Carpenters Local 2119 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 and Walter Mabie on January 4, 2008, 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 2119's 2007 records revealed that the local did not retain adequate documentation for disbursements and reimbursed expenses incurred by union officers totaling at least \$6,000; however, all but \$929.75 were discussed or approved in the regular monthly meeting minutes. Here is a sampling of disbursements that lacked the proper back-up documentation: Check Number [REDACTED] in the amount of \$40.13 to [REDACTED] for refreshments, Check Number [REDACTED] in the amount of \$54.66 to [REDACTED] for office supplies, Check Number [REDACTED] in the amount of \$58.40 to [REDACTED] for flowers, Check Number [REDACTED] in the amount of \$198.32 to [REDACTED] for postage and office supplies, and Check Number [REDACTED] in the amount of \$89.31 to [REDACTED] for flowers. The failure to retain receipts occurred with all the officers and was not just isolated to one or a few, 85 percent of expenses were in the meeting minutes along with completed vouchers that indicated the executive board, and trustees were aware of and approved the disbursements.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer 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 2119 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.


Other Issues

As I discussed during the exit interview with you and Mr. Mabie, the audit revealed that Local 2119 does not have a clear policy regarding the way that the disbursement vouchers are created and audited. A review of the policy and handling of Local 2119's voucher system would enable Local 2119 to optimize the internal controls the voucher system offers.

Mr. Peter Boldt
March 17, 2008
Page 3 of 3

I want to extend my personal appreciation to Carpenters Local 2119 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: Walter Mabie, Financial Secretary

William Harland, President

