

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
San Francisco District Office  
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San Francisco, California  
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June 26, 2006

Katherine Cabaniss, Financial Secretary/Treasurer  
United Brotherhood of Carpenters, Local 2927  
Post Office Box 185  
Sutter Creek, CA 95685

Re: Case No. ~~XXXXXXXXXX~~

Dear Ms. Cabaniss:

This office has recently completed an audit of Local 2927 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, as Amended (LMRDA). As discussed during the exit interview with Local 2927's Executive Board on June 20, 2006, 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.

The CAP disclosed violations of LMRDA Section 206, which establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

Union officers and employees failed to maintain adequate documentation for expenses charged to union credit cards. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

Some vouchers submitted by union personnel for lost wages do not correctly identify the date of the event or union business conducted that required lost wages be incurred. The lost wage claims must identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

Provided that Local 2927 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

The CAP 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-3) filed by Local 2927 for fiscal year ending June 30, 2005, was deficient in that Local 2927 failed to include lost time and mileage reimbursements to officers and employees in Item 24. Such payments appear to have been erroneously reported in Item 48 (Office and Administrative Expense).


All direct disbursements to Local 2927 officers and some indirect disbursements made on behalf of its officers must be reported in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

The CAP disclosed a violation of LMRDA Section 201(a) which requires that a union submit a copy of its revised constitution and bylaws with its LM report when constitution or bylaw changes are made. A copy of Local 2927's constitution and bylaws has now been filed.

Local 2927 must file an amended Form LM-3 for fiscal year ending June 30, 2005, to correct the deficient items discussed above. The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than July 28, 2006. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation for your and your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

  
Investigator

cc: Gary Howe, President