

U.S. Department of Labor

Office of Labor-Management Standards
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May 5, 2005

Pace, AFL-CIO
Local Union 712
Attn: Jim Kidder

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Re: [REDACTED]

Dear Mr. Kidder:

This office has recently completed an audit of LU 712 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 on April 28, 2005 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 that Local 712 failed to include some reimbursements to officers in the amounts reported in Schedule 9 (All Officers and Disbursements to Officers) in the 2003 LM-2. Such payments may have been erroneously reported in Schedules 13 (Office and Administrative Expenses) and Schedule 15 (Other Expenses). We also determined that your LM-3 for 2004, will also need to be amended to reflect the officer payments.

Several stocks that were found in your safety deposit box which were not reported on your LM-2. If you determine that the stocks have a value, they would need to be added to your LM reports. We met with your accountant in Lewiston and he understands what changes need to be made. We agreed that you would have the amended reports sent to our office by May 31, 2005.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. During the audit of your local's records, we determined that there were record keeping deficiencies.

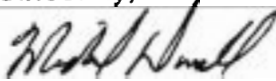
Your local failed to maintain adequate documentation to verify the receipt of dues from the Potlatch Corporation. Your records were missing information for September 2003. We also reviewed your lost time payments and randomly selected seven payments to determine if the proper documentation was kept. Of the seven lost time payments, two lost time request forms could not be found. Of the five that were found, three lacked the signatures of the trustees.

PACE, AFL-CIO LU 712

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May 5, 2005

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

Sincerely,



Michael Duvall
District Director