

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Philadelphia District Office  
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April 20, 2005

Kevin Lott, President  
Carpenters AFL-CIO  
Local 600  
528 Linden Street  
Bethlehem, PA 18018

Re:

Dear Mr. Lott:

This office has recently completed an audit of Local 600 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 Mr. Rehrig on April 14, 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 a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 88-123's officers and employees are currently bonded for \$70,000, but they must be bonded for at least \$77,000. During the exit interview the union provided documentation that it had increased its bonding coverage to \$80,000.

Additionally, the CAP disclosed a violation of LMRDA Section 202 (Report of Officers), which requires that the union's officers and employees file a signed report listing and describing for his preceding year any income which he derived from, a business which consist of buying from or selling or leasing directly or indirectly to the union. Business Manager Michael Galio owns a business from which Local 600 purchases food items for its quarterly meetings and Christmas party. Mr. Galio has been informed that he will be required to file an annual LM-30 Report concerning relating to purchases by the union from his business.

I strongly recommend that you make sure that this letter and the enclosed compliance assistance materials are passed on to yours and the current officer's successors at whatever time you may leave office.

Carpenters LU 600  
April 15, 2005  
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I want to extend my personal appreciation for you and Mr. Rehrig, and Mr. Galio's for 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,

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Investigator

cc: Francis Loughney, Treasurer