

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Pittsburgh District Office  
1000 Liberty Avenue  
Room 1411  
Pittsburgh, PA 15222  
(412)395-6925 Fax: (412)395-5409



October 20, 2008

Mr. Earl Braeudigam, Treasurer  
Carpenters Ind.  
Local Union 1160  
650 Ridge Road, Suite 200  
Pittsburgh, PA 15205

LM File Number 024-049

Case Number: [REDACTED]

Dear Mr. Braeudigam:

This office has recently completed an audit of Local Union 1160 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 on October 14, 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 Union 1160's 2008 records revealed the following recordkeeping violations:

1. Officer and Employee Expenses

Local Union 1160 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$1,162.80. For example, on September 6, 2007, Recording Secretary Donald Troesch and President Wayne Babjack were reimbursed hotel expenses for travel related to Pennsylvania State Council of Carpenters Convention. However, no receipts were retained in support of those payments. As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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.

2. Lack of Salary Authorization

Local Union 1160 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

During the next membership meeting, officer salaries will be addressed. Local Union 1160 will provide OLMS with a copy of the membership meeting minutes, addressing officer salaries, by November 14, 2008.

Based on your assurance that Local Union 1160 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Mr. Earl Braeudigam  
October 20,2008  
Page 3 of 3

I want to extend my personal appreciation to Local Union 1160 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: Wayne Babjack, President