



May 9, 2012

Mr. Manuel Lopez, President
Carpenters, IND, LU 2007
1916 W Chapman Ave., Ste B
Orange, CA 92868

Case Number: [REDACTED]
LM Number: 540-885

Dear Mr. Lopez:

This office has recently completed an audit of Carpenters, IND, LU 2007 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 Bookkeeper Nicole Collis and Office Clerk Manuel Rangel on April 23, 2012, the following problem was disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Other Issue

Use of Signature Stamp

During the audit, Collis advised that it is Local 2007's practice for President Manuel Lopez, Financial Secretary Galo Toapanta and/or Executive Board Member Steve Miller to sign all union checks and to sometime stamp the signature of Lopez and/or Miller on union checks. Collis indicated that Lopez and/or Toapanta review the checks before they are issued. Section 37 of Local 2007's constitution and bylaws requires that checks be signed by two or more officers of the Local. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 2007 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Carpenters, IND, LU 2007 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,

[REDACTED]

Investigator

cc: Mr. Galo Toapanta, Financial Secretary