

U.S. Department of Labor

Employment Standards Administration
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January 7, 2009

Mr. Dennis Bowe, Financial Secretary/Treasurer
Carpenters Ind Local 204
315 Garden Avenue North #15
Renton, WA 98055

LM File Number: 530-122
Case Number: [REDACTED]

Dear Mr. Bowe:

This office has recently completed an audit of Carpenters Ind Local 204 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 December 16, 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 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 204's records disclosed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Local 204 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Dennis Bowe and Tamara Vandergrift totaling at least \$1,128. For example, receipts were missing for office supplies, hotels, computer software, flowers, and postage.

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.

Based on your assurance that Local 204 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

During the audit, you advised that it is Local 204's practice for one officer to presign blank checks. Additionally, you advised that Office Manager Tamara Vandergrift has signature stamps which she applies to checks on behalf of yourself and Vice President Ron Verhei. You indicated that no one but Vandergrift reviews the checks before they are issued. 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 and presigning blank checks does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 204 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Carpenters Ind Local 204 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,



Supervisory Investigator

Letter/Mr. Dennis Bowe
January 7, 2009
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cc: Mr. Rocky Carroll, President