

U.S. Department of Labor

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Office of Labor-Management Standards
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January 29, 2008

Mr. Ned VanValkenburg, Financial Secretary-Treasurer
Carpenters
Local 505
225 Searidge Road
Aptos, CA 95003

LM File Number: 537-431
Case Number: [REDACTED]

Dear Mr. VanValkenburg:

This office has recently completed an audit of Carpenters Local 505 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 November 13, 2007, 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:

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-2) filed by Local 505 for fiscal year ending June 30, 2007, was deficient in the following areas:

1. Disbursements to Officers and Employees:

Local 505 did not include reimbursements to officers and employees for replenishing individual petty cash drawers in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees).

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. This should include any disbursements written directly to an officer or employee to replenish his/her petty cash drawer.

I am not requiring that Local 505 file an amended LM report for 2007 to correct the deficient items, but Local 505 has agreed to properly report the deficient items on all future reports it files with OLMS.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 505 amended its constitution and bylaws in 2004, but did not file a copy with its LM report for that year.

Local 505 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Carpenters Local 505 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: Ernest White, President