



August 26, 2005

Mr. Gregg Peter, Secretary-Treasurer  
Graphic Communications, AFL-CIO, Local 38  
10512 Driver  
St. Louis, Missouri 63114

Dear Mr. Peter:

This office has recently completed an audit of Graphic Communications Local 38 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 and President Utter on July 25, 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 201(a), which requires that unions submit a copy of their current constitution and bylaws with their LM report when bylaw changes are made. Local 38 amended its constitution and bylaws in 1997, but a copy of the constitution and bylaws was not filed with Local 38's LM report for that year. As a copy of the current constitution and bylaws was obtained during the audit, no further action is required regarding this violation.

Title II of the LMRDA establishes certain reporting and record-keeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. The following record-keeping violation was revealed during the audit.

The supporting receipts for airfare, hotel, and a rental car for an approved trip to New York that were paid by your organization were not available in the records during the audit. As a copy of these records were made available prior to the end of the CAP, no further action is required regarding this violation.

The CAP disclosed that your organization was not adequately bonded under Section 502 of the LMRDA. As you were advised, Section 502 requires that labor organizations secure bonding coverage for their officers and employees who handle funds in the amount of 10 percent of the funds handled during the last fully completed fiscal year. A minimum bond coverage of \$34,783 is required to bring the local into compliance. Please provide this office with a copy of the bonding certificate once the required bonding coverage has been obtained, and this matter will be considered resolved.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

Kenneth R. Koste  
Acting District Director

By: 7(C)  
Investigator

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