

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Chicago District Office
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Chicago, IL 60604
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August 11, 2005

Mr. Kurt Walztoni, Treasurer
International Brotherhood of Painters
Allied Trades, Local 184
6524 Ridge Drive
Chicago Ridge, IL 60415

Re: 2

Dear Mr. Walztoni:

This office has recently completed an audit of Painters Allied Trades, Local 184 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, as Amended (LMRDA). As discussed during the exit interview with Financial Secretary James C. Warte and Business Agent Andrew Perch on July 19, 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.

Record Keeping Violations

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 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 294's 2001 records:

Officer Expenses

Union officers failed to retain adequate documentation for reimbursed expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses paid for by the union and the locations (names of restaurants) where meal expenses were incurred must also be recorded.

With respect to documentation retained in support of specific disbursements, the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most

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instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements. As agreed, provided that Local 184 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

Other Issues

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit copies of its current constitution and bylaws with its LM report when bylaw changes are made. Local 184 amended its constitution and bylaws in 2002, but a copy of the constitution and bylaws was not filed with Local 184's LM-2 report for that year. Two copies of Local 184's constitution and bylaws have now been filed; no additional enforcement action will be taken regarding this violation.

During the interview, it was suggested that a separate account be established for Local 184's Death Benefit Fund instead of commingling the funds with the union's general account. For example, monies set aside for the approximately eighty members currently eligible for death benefits could be transferred from the ~~the~~ general account to the ~~the~~ account.

In addition it was agreed that Financial Secretary James C. Watte will file OLMS Form LM-30 by August 15, 2005, disclosing any and all income received from Chicago Area Painting & Decorating J.A.T.C..

I strongly recommend that you make sure this letter and the compliance assistance materials that were provided to you are passed on to your successors at whatever time you may leave office.

I want to extend my personal appreciation for the union officer'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,

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cc: John J. Toomey, Esq.
Meredith A. Ilg, Esq.