

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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March 25, 2008

Ms. Carla Grady, Financial Secretary
Painters
Local 756
1400 N. Washington St., Suite 220
Dallas, Texas 75204

Re: Case Number: [REDACTED]

Dear Ms. Grady:

This office has recently completed an audit of Painters Local 756 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 Carla Grady on February 29, 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 documentation

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 756's 2007 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 756 did not retain adequate documentation for credit card expenses incurred by former Business Manager Roy Head's American Express card in excess of \$3,900 and Financial Secretary Carla Grady's Office Depot card in excess of \$5100.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Failure to Record Disbursements

After May 2007, Local 756 did not record disbursements. For example, disbursements to officers for allowances totaling at least \$4,821. The records should show the date, payee, and purpose of the disbursement.

3. Failure to Record Receipts

After May 2007, Local 756 did not record receipts received from District Council 88 and interest from the checking account totaling at least \$2,071. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 756 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Ms. Carla Grady
March 25, 2008
Page 3 of 3

I want to extend my personal appreciation to Painters Local 756 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: President Kathryn McMahon