

U.S. Department of Labor

Employment Standards Administration  
Office of Labor-Management Standards  
Los Angeles District Office  
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Los Angeles, CA 90017  
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February 24, 2005

Mr. Paul Garcia, President  
Graphic Communications International Union, Local 404M  
518 W. Duarte Road,  
Monrovia, CA 91016

Re:

Dear Mr. Garcia:

This office has recently completed an audit of Graphic Communications International Union, Local 404M 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 you, Treasurer Douglas Brown and Bookkeeper Joyce Novick on February 23, 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 Title II, Section 206 of the LMRDA which requires unions to retain all records used or received in the normal course of doing union business for a period of five years. Specifically, the December 2003 bank statement of the Mortuary Fund was missing. The CAP also disclosed a violation of Title II, Section 201(b) of the LMRDA in that direct disbursements, which includes meeting allowances and organizing expenses incurred by Executive Board members and the Director of Organizing respectively, were incorrectly reported as Office and Administrative Expenses. The 2003 LM-2 report was deficient because professional fees (legal fees) were underreported by \$18,202. As discussed, the deficiency appeared to be the result of posting errors to the Cash Disbursements Journal – check number 11305 (\$16,761.25) was erroneously voided and improperly shown as being processed as check number 11309 (there were two journal entries for check number 11309). Inasmuch as you agreed to file amended reports by March 9, 2005, no further action is contemplated at this time.

I want to extend my personal appreciation for the cooperation and courtesy extended by your entire staff 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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7(C)

Investigator