U.S. Department of Labor   Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
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February 26, 2009

Mr. Barry Turner, Business Agent
Painters AFL-CIO
Local 2006
101 Ewing Street
Carnegie, PA 15106

LM File Number 509-845
Case Number:

Dear Mr. Turner:

This office has recently completed an audit of Painters Local 2006 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 John Ketter, Richard Koreith and you on February 24, 2009, 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.

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-3 filed by Local 2006 for fiscal year ending June 30, 2008, was deficient in the following areas:

Disbursements to Officers (LM-3)

Local 2006 did not include some reimbursements to officers totaling at least $3,600 in the amounts reported in Item 24 (All Officers and Disbursements to Officers).   It appears the union erroneously reported these payments in Item 54 (Other Disbursements). It also appears that the union reported Treasurer Koreith's monthly salary in Item 24 Column (E) instead of in Item 24 Column (D). All gross salary including lost time must be included in Column (D). Enter in Column (E) all other direct and indirect disbursements to officers, other than salary and lost time.

The union must report most direct disbursements to Local 2006 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 2006 file an amended LM report for 2008 to correct the deficient items, but Local 2006 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 2006's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained

adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Painters Local 2006 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: John Ketter, President
    Richard Korieth, Treasurer