

U.S. Department of Labor

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Office of Labor-Management Standards
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June 2, 2008

Mr. Joseph Truglio, President
Stage & Picture Operators AFL-CIO
Local 702
542 Eastbrook Road
Ridgewood, NJ 07450

LM File Number 001-945
Case Number: [REDACTED]

Dear Mr. Truglio :

This office has recently completed an audit of Stage and Picture Operators Local 702 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 on June, 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 702's 2006 records revealed the following recordkeeping violations:

1. Bank Statements and Cancelled Checks

Local 702 failed to maintain the bank statement for December 2008 and the cancelled checks for transactions that occurred during the period covered by this statement.

During the audit, Local 702 contacted Chase bank and received a copy of the missing statement and copies of the cancelled checks.

2. Cash Receipts

Several cash deposits listed on the union's bank deposit slips did not have a corresponding itemized receipt entry in the receipts log. Itemized entries of cash receipts are necessary to perform a reconciliation between cash received and cash deposited.

I want to extend my personal appreciation to Stage and Picture Operators Local 702 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,



Supervisory Investigator