



July 6, 2010

Mr. Rick Schunke, Secretary Treasurer
IATSE LU 80
2520 West Olive Ave
Ste 200
Burbank, CA 91505

Case Number: [REDACTED]
LM Number: 006114

Dear Mr. Schunke:

This office has recently completed an audit of IATSE LU 80 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, Business Representative Thomas Davis, and Bookkeeper Robert Chesney on July 2, 2010, 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 Violation

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-2 filed by IATSE LU 80 for fiscal year ending December 31, 2009, was deficient in the following area:

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. IATSE LU 80 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year.

Local 80 has now filed a copy of its constitution and bylaws.

Other Issue

The audit disclosed the following other issue:

Use of Signature Stamp

During the audit, you advised that it is IATSE LU 80's practice to sign all union checks and to sometime use a signature stamp as the secondary signatory on union checks. Article IV (b) and Article VII Section XII of IATSE LU 80's bylaws require that checks be signed by the president, and secretary treasurer. However, the IATSE LU 80's February 6, 2000 Executive Board Meeting Minutes states that when an officer required under Article VII Section XII to sign checks or other financial documents is not available, a signature stamp may be used by, or in the presence of a Trustee who will initial any such item stamped in his or her presence. The use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. OLMS recommends that IATSE LU 80 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to IATSE LU 80 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: Mr. Russell Nordstedt, President