



December 6, 2012

Ms. Natasha Almonte, President
Painters, AFL-CIO
Local 1203 Allied Healthcare Workers
585 Aero Drive
Cheektowaga, NY 14225-1442

Case Number: [REDACTED]
LM Number: 542904

Dear Ms. Almonte:

This office has recently completed an audit of Painters, Local 1203 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 District Council 4 Business Manager/Secretary/Treasurer Mark Stevens and Local 1203 Financial Secretary Sarah Kegler on November 27, 2012, 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 Violation

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 1203's 2011 records revealed the following recordkeeping violation:

Information not Recorded in Meeting Minutes

During the CAP opening interview OLMS was advised that the membership authorizes/approves disbursements and expenses. However, for much of 2011 Local 1203 maintained no minutes of meetings. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings such as the party costing \$7,349 held by the union in September 2011.

Based on your assurance that Local 1203 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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-4) filed by Local 1203 for the fiscal year ended December 31, 2011, was deficient in the following areas:

1. Disbursements to Officers

Local 1203 did not include some payments to officers totaling at least \$1,200 in the amounts reported Item 18 (total payments to officers and employees during the reporting period).

The instructions state the union must enter the total amount of all payments to officers and employees made by the labor organization during the reporting period. The amount should include, for example, gross salaries (before tax withholdings and other payroll deductions); lost time pay; monthly, weekly, or daily allowances; and disbursements for conducting official business of the labor organization as well as disbursements which were essentially for the personal benefit of the officer or employee.

2. Total Disbursements

Local 1203 did not accurately report all disbursements made in Item 17 (total disbursements made by your organization during the reporting period). Local 1203 reported \$11,161 in disbursements when the correct amount was \$13,161.

I am not requiring that Local 1203 file an amended LM report for 2011 to correct the deficient items, but Local 1203 have agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Local 1203 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: Ms. Sarah M. Kegler, Financial Secretary
Ms. Debra Rouse, Vice President
Mr. Mark Stevens, DC 4 Business Manager/Secretary/Treasurer