

U.S. Department of Labor
Office of Labor-Management Standards
Miami Resident Investigative Office
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March 14, 2008

Pablo DeLeon, Financial Secretary
Painters AFL-CIO, Local 452
1300 S. -Andrews Avenue
Pompano Beach, FL 33069

LM File Number: 032-761
Case Number: | | | | | | |

Dear Mr. DeLeon:

This office has recently completed an audit of Painters AFL-CIO, Local 452 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 March 4, 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. The CAP disclosed the following:

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 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.

Deposit Records

Local 452 did not maintain its deposit slips which were used to record the union's receipts from January through March 2006. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Check Cashing

The audit revealed that one officer in FYE December 31, 2006 had a regular practice cashing their union salary check using Local 452's funds, specifically cash dues that were on hand. No records existed to verify this practice. I recommended during the audit that the union revise their practice of cashing checks for officers using Local 452's funds. You advised that this practice had never been authorized and that cash was no longer accepted by Local 452.

Based on your assurance that Local 452 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-3 filed by Local 452 for fiscal year ending December 31, 2006, was deficient in the following areas:

Disbursements to Officers (LM-3)

Local 452 did not include some reimbursements to officers totaling at least \$320 in the amounts reported Item 24 (All Officers and Disbursements to Officers). Disbursements to Vice President Shandrell Blue were reported as \$120, while the audit revealed an additional \$200 was disbursed to Mr. Blue.

Local 452 did not report Trustee David Biggs and the \$120 paid to him or on his behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any from the union.

The union must report most direct disbursements to Local 452 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).

OLMS has requested that Local 452 file an amended Form LM-3 for fiscal year ending December 31, 2006, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 was received on March 10, 2008 and reviewed by my office. The amended Form LM-3 has been accepted as all deficiencies were corrected.

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. The latest Local 452 constitution and bylaws with OLMS is 1987. You acknowledged that Local 452 has amended its constitution and bylaws since 1987. The union has not filed a copy of its bylaws since then. As agreed, Local 452 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than March 21, 2008.

I want to extend my personal appreciation to you and your staff 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,

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Investigator

cc: David Biggs, Local 452 President