

**U.S. Department of Labor**

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November 19, 2008

Mr. Mike Estes, Financial Secretary  
Painters AFL-CIO, Local 477  
225 North 16th Street  
Boise, ID 83702-5169

LM File Number: 045-035  
Case Number: [REDACTED]

Dear Mr. Estes:

This office has recently completed an audit of Painters AFL-CIO, Local 477 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 September 19, 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.

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-3) filed by Local 477 for fiscal year ending December 31, 2007, 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. Local 477 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year. Local 477 has now filed a copy of its constitution and bylaws.

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 477's officers and employees were not bonded for the minimum amount required at the time of the audit. Local 477's officers and employees are currently bonded for \$6,000, but they must be bonded for at least \$8,075. Local 477 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than December 31, 2008.

I want to extend my personal appreciation to Painters AFL-CIO, Local 477 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. Alan West, President