

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
201 Varick Street
Room 878
New York, NY 10014
(646)264-3190 Fax: (646)264-3191



August 3, 2009

Mr. Hector Lopez, President
Painters, AFL-CIO
Local 8 (a) 28 (a)
36-16 33rd Street
Long Island City, NY 11106

Re: Case Number: [REDACTED]

Dear Mr. Lopez:

This office has recently completed an audit of Painters 8 (a) 28 (a) 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 Richard Croll, [REDACTED] Alan Lopez and yourself on July 30, 2009, 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.

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 8 (a) 28 (a) 's 2008 records revealed the following recordkeeping violations:

Local 8 (a) 28 (a) did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Hector Lopez totaling at least \$5,000. For example, an American Express charge of \$713.00 for an American Airlines flight from Los Angeles to Chicago on June 13, 2008, passengers were MALIN/TYLER, Local 8 (a) 28 (a) attorneys.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

The audit disclosed the following other violation:

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.

Local 8 (a) 28 (a) officers and employees are currently bonded for \$165,000, but they must be bonded for at least \$177,154. Local 8 (a) 28 (a) 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 August 17, 2008.

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I want to extend my personal appreciation to Painters 8 (a) 28 (a) 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,

A large, irregular black redaction mark covers the signature area, obscuring the name and any handwritten notes.

Investigator

cc: Roger H. Madon, Esq.,