

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



March 19, 2009

Mr. Richard Rahner, Secretary-Treasurer
Stage and Picture Operators
Local 100
167 Fiddler Place
West Islip, NY 11795

LM File Number 542-931
Case Number: [REDACTED]

Dear Mr. Rahner:

This office has recently completed an audit of Stage and Picture Operators Local 100 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 February 24, 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 adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The CAP disclosed the following recordkeeping violations:

Adequate documentation was not retained for some purchases of union merchandise, and some meeting minutes containing disbursement approval were misplaced.

As agreed, provided that Local 100 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

The CAP disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. Local 100 was delinquent in filing the Labor Organization Annual Report (Form LM-3) for fiscal year ending March 31, 2008.

A copy of Local 100's Form LM-3 has now been filed.

The CAP disclosed the following other violation(s):

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 handled by those individuals or their predecessors during the preceding fiscal year. Local 100's officers and employees are currently bonded for \$0 but they must be bonded for at least \$24,000.

Adequate bonding coverage was obtained and documentation provided during the audit. No further enforcement action will be taken.

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I want to extend my personal appreciation to Stage and Picture Operators Local 100 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: Win Bernfield, President
Daniel Ditolla, Vice President