



May 2, 2012

Mr. Philip H. Falkowski, Financial-Secretary  
Stage & Picture Operators, AFL-CIO Local Union 99  
526 West 800 South  
Salt Lake City, UT 84101-1404

Case Number: [REDACTED]  
LM Number: 045314

Dear Mr. Falkowski:

This office has recently completed an audit of Stage & Picture Operators, AFL-CIO Local Union 99 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 April 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 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 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 Union 99's 2009 records as part of the 2011 audit revealed the following recordkeeping violations:

#### General Reimbursed Expenses

Local Union 99 did not retain adequate documentation for a reimbursed expense incurred by former IATSE LU 99 Financial-Secretary Brian Faulkner. The local was missing supporting

documentation for one check numbered [REDACTED] for \$108.38 issued on the Chase account to Mr. Faulkner. The check image was missing and supporting documentation for the check was not in the local's records.

Also, the local was missing supporting documentation for one cash withdrawal of \$1,008.00 made on June 23, 2009 from the local's Wells Fargo account by Mr. Faulkner. It was determined during the audit that the funds were disbursed as a death benefit to a member.

As 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.

Based on your assurance that Local Union 99 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Stage & Picture Operators, AFL-CIO Local Union 99 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,

[REDACTED]

Investigator