



July 7, 2015

Mr. David Wenninger
Business Manager/Secretary-Treasurer
Painters Local 130
5425 Spindle Drive
Houston, TX 77086

Case Number: 420-6004226()
LM Number: 542707

This office has recently completed an audit of Painters Local 130 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 July 2, 2015, 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.

Record Keeping 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 130's 2014 records revealed the following recordkeeping violations:

1. Disposition of Property

During the audit, Mr. Wenninger advised OLMS that the members authorized the purchase of t-shirts during the April 16, 2014, membership meeting. The t-shirts were to be given away to the members during their quarterly meetings. However, Local 130 did not maintain

records of which members received the t-shirts, when they received them, and a final inventory of the t-shirts.

District Council 88 Membership Development Specialist Juan Granados also advised OLMS that records were not maintained for the prizes given away to members, or the members' family, during the raffles held at the annual Christmas Party in December 2014.

The union must maintain records of any union property on hand at the beginning and end of each year. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the disbursement of \$1,479.03 for the purchase of the t-shirts. The union must also maintain records to verify who won the raffles and received the items purchased by Local 130, totaling \$1,887.38.

The union must record the date and members' names who received the t-shirts, raffled Christmas gifts, or other items.

2. Salary Authorization/Bylaws

Local 130's Bylaws, Article IX, Section I, states that all officers must attend the monthly meetings and Executive Board meetings to qualify for the monthly compensation. During the audit, Mr. Wenninger advised that the membership meetings are held quarterly and Executive Board meetings are seldom held, if at all. The union's Bylaws should contain the correct wording to reflect the officers' quarterly compensation, without the requirement to attend Executive Board meetings.

Based on your assurance that Local 130 will retain adequate documentation and update their local Bylaws in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violations

The audit disclosed the following other violation(s):

Bylaws – Officers Duties

Local 130's Bylaws, Article VI, Section 2(D) and 2(E), refer to the International Constitution for details of the responsibilities of the financial secretary and treasurer. However, the District Council 88 Bylaws, Article V, Section 2 authorizes the District Council Business Manager/Secretary-Treasurer to assume the duties and responsibilities of the local financial secretary and treasurer. OLMS advised the union to revise its Bylaws so that it coincides with the Bylaws of District Council 88.

I want to extend my personal appreciation to Painters Local 130 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: Philip Muehr, President
Gilbert Campos, Treasurer
Wayne Kazmir, Financial Secretary