**U.S. Department of Labor**

Employment Standards Administration
Office of Labor-Management Standards
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January 22, 2007

Ms. Monique Tyson, Treasurer
Painters AFL-CIO
Local 820
9902 East 62nd Street
Raytown, MO 64133-4002

Re: Case Number: [redacted]

Dear Ms. Tyson:

This office has recently completed an audit of Painters Local 820 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 [redacted] on January 16, 2007, 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.

The audit revealed the local did not maintain the necessary credit union statements from January through June 2006 by which account balances could be verified.

The local obtained the statements from the credit union during the audit thereby allowing the accounts to be reconciled. It was agreed that the local would retain all credit union statements in the future. Therefore, this matter has been resolved.

During the audit, you advised that the president signs blank checks in advance. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, countersigning a blank check in advance does not attest to the authenticity of a completed check and completely circumvents and undermines the whole purpose of the countersignature requirement. I recommend that Local 820 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Painters Local 820 for the cooperation and courtesy extended during this compliance audit. I 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

cc: Ken Tornquist