



September 15, 2014

Ms. Deirdre Wilkinson, Treasurer  
Painters AFL-CIO Local 577  
25 Colgate Rd.  
Roslindale, MA 02131

Case Number: 110-1117673( )  
LM Number: 043085

Dear Ms. Wilkinson:

This office has recently completed an audit of Painters AFL-CIO Local 577 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, President Paul Hunnefeld, and IMS Coordinator Lauren MacPherson on September 9, 2014, 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 577's 2012 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses:

Local 577 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by [REDACTED], [REDACTED], and [REDACTED] totaling at least

\$2177.08. For example, expenses to [REDACTED] for office supplies were not provided, as were the phone and stamp per diems for [REDACTED].

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.

#### Other Issues

##### Use of Signature Stamp:

During the audit, Wilkinson advised that it was Local 577's practice to use signature stamps of officers on union checks. Section 171 (a) of the IUPAT Constitution requires that checks be signed by the treasurer and by either both the president and recording secretary, or either the president and recording secretary, as determined in the bylaws. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 577 review these procedures to improve internal control of union funds.

Based on your assurance that Local 577 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 Painters AFL-CIO Local 577 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

cc: Mr. Paul Hunnefeld, President  
Ms. Lauren MacPherson, IMS Coordinator