

**U.S. Department of Labor**

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September 4, 2008

Mr. Terry Peterson, Treasurer  
Painters AFL-CIO  
Local 10  
11105 NE Sandy Boulevard  
Portland, Oregon 97220

Re: Case Number [REDACTED]  
LM File Number: 035-080

Dear Mr. Peterson:

This office has recently completed an audit of Painters AFL-CIO Local 10 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 and Office Manager Debra Glenzer on August 1, 2008, 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.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report LM-2 filed by Local 10 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disbursements to Officers and Employees (LM-2)

Local 10 did not include some reimbursements to officers and employees totaling at least \$1,018 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees).

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement

of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 10 file an amended LM report for 2007 to correct the deficient item, but Local 10 has agreed to properly report the deficient items on all future reports it files with OLMS.

## 2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its bylaws with its LM report when it makes changes to its bylaws. Local 10 amended its constitution and bylaws in 2007, but did not file a copy with its LM report for that year.

Local 10 has now filed a copy of its bylaws.

I want to extend my personal appreciation to Painters AFL-CIO Local 10 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 are passed on to future officers. If we can be of any additional assistance, please do not hesitate to call.

Sincerely,

  
Investigator

cc: President Robert Potter