

**U.S. Department of Labor**

Employment Standards Administration  
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February 26, 2009

Mr. George Palazzo  
Stage & Picture Operators AFL-CIO, Local 729  
1811 W. Burbank Blvd.  
Burbank, CA 91506-1314

LM File Number: 035-689  
Case Number: [REDACTED]

Dear Mr. Palazzo:

This office has recently completed an audit of Stage & Picture Operators, Local 729 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 Kathryn Palazzo on January 23, 2009, 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.

The audit disclosed:

#### Reporting Violation

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 Form LM-2 filed by Local 729 for fiscal year ending December 31, 2007, was deficient in the following area:

##### Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 729 amended its constitution and bylaws in March 2007, but did not file a copy with its LM report for that year.

Local 729 have now filed a copy of its constitution and bylaws.

Other Violation

The CAP disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 729's officers and employees were bonded for \$200,000, but they should have been bonded for at least \$250,000.

Adequate bonding coverage was obtained and documentation provided during the audit. No further enforcement action will be taken.

I want to extend my personal appreciation to Stage & Picture Operators, Local 729 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,

Alan Weiss  
District Director

cc: Mr. Kirk D. Hansen, President