

**U.S. Department of Labor**

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June 29, 2009

Mr. Chris Dichtel, Treasurer  
Painters, AFL-CIO, Local Union 510  
250 Executive Park Blvd., Suite 4850  
San Francisco, CA 94134-3309

LM File Number: 033-758

Case Number: [REDACTED]

Dear Mr. Dichtel:

This office has recently completed an audit of Painters, AFL-CIO, Local Union 510 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 President Michael Kraemer, Bookkeeper/Office Manager Eleanor Battaglia, and Office Secretary Jean Wisecarver on June 23, 2009, the following problem was disclosed during the CAP. The matter listed below is 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 Form LM-2 filed by Local 510 for fiscal year ending June 30, 2008, was deficient in the following area. The audit of Local 510's 2008 records revealed the following reporting violation:

Netting of Receipts and Disbursements in 2008 LM-2 report

Since statement B of the LM-2 reports all cash flowing in and out of the labor organization "netting" is not permitted. "Netting" is the offsetting of receipts against

disbursements and reporting only the balance (net) as either a receipt or a disbursement. Local 510 "netted" some receipts and disbursements on their books and under reported total receipts by \$23,071 and disbursements by \$17,905 on statement B of the LM-2. As noted in the LM-2 instructions, netting is not permitted.

I am not requiring that Local 510 file an amended LM report for 2008 to correct the deficient items, but Local 510 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Painters, AFL-CIO, Local Union 510 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: Mr. Michael Kraemer, President