

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
St. Louis District Office  
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January 30, 2008

Mr. Duane Oehmen, Treasurer  
Painters AFL-CIO  
Local 1199  
2501 59th Street  
St. Louis, MO 63110

LM File Number 006-670

Case Number: [REDACTED]

Dear Mr. Oehmen:

This office has recently completed an audit of Painters Local 1199 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, Financial Secretary Mario Pucci, Recording Secretary Rich O'Neal and former Financial Secretary David Doerr on January 28, 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 Form LM-3 filed by Local 1199 for fiscal year ending June 30, 2007, was deficient in the following areas:

1. Disbursements to Officers

Local 1199 did not properly report expense reimbursements to officers totaling at least \$2,690.83 in the amounts reported in Item 24, Column E (Allowances and Other Disbursements Paid to Officers). The expense reimbursements to officers were erroneously reported in Column D, which is intended for salary and lost time payments only. Payments to officers which are to be reported in Column E are described on page 9 of the LM-3 instructions and include travel expenses, mileage, meals and other direct or indirect payments other than salary which are necessary for conducting union business.

I am not requiring that Local 1199 file an amended LM report for 2007 to correct the deficient items, but Local 1199 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 revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 1199 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year.

Local 1199 has now filed a copy of its constitution and bylaws.

Other Violations

The audit disclosed that the local is not adequately bonded, as required by LMRDA Section 502. That section requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

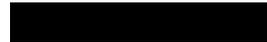
Local 1199's officers and employees are currently bonded for \$25,000, but they must be bonded for at least \$26,943. Local 1199 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than March 1, 2008.

I want to extend my personal appreciation to Painters Local 1199 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you

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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: Christopher Robinson, President