

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
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January 10, 2008

Mr. Gregory Rabuttino, Financial Secretary
Painters AFL-CIO
Local 997
P.O. Box 418
Ridley Park, PA 19078

LM File Number 015-401

Case Number: [REDACTED]

Dear Mr. Rabuttino:

This office has recently completed an audit of Painters Local 997 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 on January 7, 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.

Recordkeeping Violation

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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 the retention of 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 997's 2006 records revealed the following recordkeeping violation:

Contributions, Gifts, and Grants

Local 997 did not retain adequate documentation for its contributions, gifts and grants. Specifically, contributions totaling \$600 were made to the District Council for a golf outing and a needy members benefit.

Based on your assurance that Local 997 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Report 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-3 filed by Local 997 for its fiscal year ending December 31, 2006, was deficient in that the contributions made to the District Council were not reported in Item 51, Contributions, Gifts, and Grants as required.

I am not requiring that Local 997 file an amended LM report for 2006 to correct the deficient item, but Local 997 has agreed to properly report the deficient item on all future reports it files with OLMS.

Mr. Gregory Rabuttino
March 17, 2008
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I want to extend my personal appreciation to Painters Local 997 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: Fred Marrero, President