

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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August 20, 2009

Mr. Carl Farrell, Business Representative/Organizer
Painters AFL-CIO
Local 1156
1301 S. Duchesne
St. Charles, MO 63301

LM File Number 020-848
Case Number: [REDACTED]

Dear Mr. Farrell:

This office has recently completed an audit of Painters Local 1156 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 your accountant, Mark Hollman, on August 14, 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-3 filed by Local 1156 for fiscal year ending December 31, 2008, was deficient in the following area:

Disbursements to Officers

Local 1156 did not include some reimbursements to officers totaling at least \$667.80 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report most direct disbursements to Local 1156 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 1156 file an amended LM report for 2008 to correct the deficient items, but Local 1156 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 Local 1156 for the cooperation and courtesy extended during this compliance audit. I 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: Ricky Smith, Financial Secretary
Mark Hollman, Accountant

Mr. Carl Farrell
August 20, 2009
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