

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 2, 2009

Lavern Williams, Treasurer
Painters, AFL-CIO
Local Union 31
615 W. Genesee Street
Syracuse, NY 13204

LM File Number: 039-548

Case Number: [REDACTED]

Dear Mr. Williams:

This office has recently completed an audit of Painters, Local Union 31 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 Financial Secretary Kenneth Cooper, Business Agent Michael Dems and you on March 31, 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.

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 Painters Local 31 for fiscal year ending December 31, 2008 was deficient in the following areas:

1. Dues and Fees

Local 31 did not report the total dues and fees established by the organization. The union reported the monthly dues rate, however did not report the "working" dues required by members to pay in Item 23 of the LM-3 Report.

The union should report the minimum and maximum rates as they are applied. In addition, Local 31 should enter the amount or percent of "working dues" and enter the basis for the payment (per hour, percentage of gross, etc.).

2. Bond Amount

The union reported the maximum amount recoverable under the organization's fidelity bond to be \$55,000, when in fact, the union is actually bonded for \$30,000.

3. Disbursements from the Employee Benefit Account

The union erroneously reported all disbursements from the union's employee benefit account in Item 50, Benefits, rather than in Item 54, Other Disbursements. These disbursements include clambake expenses which are not direct or indirect benefit disbursements.

I am not requiring that Local 31 file an amended LM report for 2008 to correct the deficient items, but Local 31 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Local 31 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and any 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: Terri Wall, CPA
Accurate Accounting
5500 Bartell Road

Brewerton, NY 13209

Michael Dems, Business Agent
Painters District Council #4
615 W. Genesee Street
Syracuse, NY 13204

Kenneth Cooper, Financial Secretary
Painters Local 31
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