

U.S. Department of Labor

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August 11, 2009

Mr. Thomas Smith, Financial Secretary
Painters AFL-CIO Local 3
8400 Enterprise Way, Suite 123
Oakland, CA 94621

LM File Number: 516-117
Case Number: [REDACTED]

Dear Mr. Smith:

This office has recently completed an audit of Painters AFL-CIO Local Union 3 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, President Victor Martinez, and Business Agent Carl Jones on August 6, 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-2 filed by Painters Local 3 for fiscal year ending June 30, 2008, was deficient in the following areas.

1. 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 or bylaws with its LM report when it makes changes to its constitution or bylaws. Local 3 amended its bylaws in 2007 but did not file a copy with its LM report for that year.

Painters Local 3 has now filed a copy of its bylaws.

2. Failure to Report Investments

Statement A, Assets and Liabilities, Item 26, Investments, of the union's Labor Organization Annual Report, Form LM-2, requires the disclosure of the value of all investments at the start and end of the reporting period. Details of the investments must be reported in Schedule 5. For fiscal year 2008, Painters Local 3 failed to disclose the fact that they hold 14 shares in the Labor Temple Association of Alameda County which owns the Labor Temple located at 8400 Enterprise Way in Oakland.

I am not requiring that Painters Local 3 file an amended LM report for 2008 to correct the deficient items, but Local 3 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 Union 3 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. Victor Martinez, President
Mr. Carl Jones, Business Agent