



April 22, 2011

Mr. Wesley Schlosin, President
Painters, AFL-CIO, Local 43
2191 Bedell Road #4
Grand Island, NY 14072

Case Number: [REDACTED]
LM Number: 030412

Dear Mr. Schlosin:

This office has recently completed an audit of Painters, AFL-CIO, Local 43 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 Treasurer Greg Internicola on April 7, 2011, 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 labor organizations maintain adequate records for at least five 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 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 43's 2009/10 records revealed the following recordkeeping violation:

General Expenses

Local 43 did not retain adequate documentation for expenses by union officers totaling at least \$920. As an example check number [REDACTED] in the amount of \$18.52 for office supplies or check # [REDACTED] in the amount of \$116 for stamps.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Local 43 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violations

The audit disclosed the following other violations:

1. Delinquent Filing

The law requires the President and Treasurer, or corresponding principal officers, of each labor organization to file an annual financial report with this agency within 90 days after the close of each reporting year.

Local 43 has not filed their LM-3 report in the fiscal year ending June 30, 2010 with OLMS. Therefore, the organization's report is long overdue. Please file your delinquent LM-3 report to this office *no later than May 6, 2011*.

2. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which 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.

The audit revealed that Local 43's bonding coverage expired on March 11, 2011. Local 43 will obtain proof of adequate bonding coverage for its officers and employees and provide proof of bonding coverage to this office as soon as possible, but *not later than May 20, 2011*.

I want to extend my personal appreciation to Painters, AFL-CIO, Local 43 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. Greg Internicola, Treasurer
Mr. Greg Stoner, Financial Secretary