



February 12, 2019

Case Number: 530-6011719 [REDACTED]  
LM Number: 045393

Mr. Kevin Milliken, President  
Painters Local 1176  
2020 Williams Street  
Suite A-1  
San Leandro, CA 94577

Dear Mr. Milliken:

This office has recently completed an audit of Painters Local 1176 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 Attorney David Rosenfeld on February 6, 2019, 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.

Other Violation

The audit disclosed the following other violation:

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 most currently completed fiscal year.

The audit revealed that Local 1176's officers were not bonded for the minimum amount required at the time of the audit. Local 1176 was currently bonded for \$40,000. For fiscal year 2018, which ended on June 30, 2018, Local 1176 reported on its LM-3 report an amount of \$447,466 in funds handled during the year. A bond in the amount of at least \$45,000 is required to be in compliance with the law. Local 1176 obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Painters Local 1176 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,

[REDACTED]  
Investigator