

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
130 South Elmwood Avenue
Room 510
Buffalo, NY 14202-2465
(716)842-2900 Fax: (716)842-2901



June 14, 2007

Mr. Jonathan Buck, Financial Secretary
Food & Commercial Workers
Local 251C
P.O. Box 4
Norwich, NY 13815-0004

LM File Number 025-936

Case Number: [REDACTED]

Dear Mr. Buck:

This office has recently completed an audit of Food & Commercial Workers Local 251C 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 Gary Robbins, and Trustee Barry Davisson on June 13, 2007, 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 Violations

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 251-C's 2005/2006 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 251-C did not retain any adequate documentation for expenses incurred by the union for the annual pig roast. You did retain and provide the records for the 2006 pig roast, which fell out of the scope of the audit year. Those records were inadequate in that they failed to provide enough detail to provide the purpose or reason for the disbursement.

As previously 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.

2. Lost Wages

Local 251-C did not retain any documentation for lost wage reimbursement payments to President Robbins, Financial Secretary Buck or Recording Secretary Anderson for any lost time claimed during the fiscal year. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 251-C did not retain any vouchers.

During the exit interview, I provided a sample of an expense voucher Local 251-C may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Failure to Record Receipts

Local 251-C did not record in its receipts records monies collected for the annual pig roast. You explained during the closing interview that money received by guests/non-members is held and then used for various expenses for the pig roast.

All money received should also be deposited into the union's account so that it can be properly accounted for. Additionally, union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

4. Lack of Salary Authorization

Local 251-C did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 251-C will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Food & Commercial Workers Local 251C 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: Gary Robbins, President

Barry Davisson, Trustee
Denise Anderson, Recording Secretary