

U.S. Department of Labor

Employment Standards Administration
Office of Labor Management Standards
Kansas City Resident Investigator Office
City Center Square
1100 Main Street, Suite 950
Kansas City, Missouri 64105-5143
Telephone: (816) 502-0290 / FAX: (816) 502-0288



March 1, 2005

Donna McDonald, President
Food and Commercial Workers (UFCW), AFL-CIO
Local Union 271

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Dear Ms. McDonald:

This office has recently completed an audit of UFCW Local Union 271 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 on February 17, 2005, the following problem was disclosed. The matter listed below is not an exhaustive list since the CAP was limited in scope.

The CAP disclosed that the bonding coverage currently maintained by UFCW Local 271 (\$100,000) does not meet the minimum amount required by LMRDA Section 502. Section 502 requires that the bonding coverage must be of a sufficient amount to cover 10 percent of the amount of funds on hands at the beginning of the last fully completed fiscal year plus the total receipts for that fiscal year. Enclosed is a booklet on the bonding requirements per the LMRDA.

The following figures were used to calculate the proper bonding coverage:

Amount of funds on hand at the beginning of the fiscal year (Jan 1, 2003):	\$64,612
Plus receipts for fiscal year ended December 31, 2003:	<u>962,994</u>
Total liquid assets and receipts:	<u>\$1,027,606</u>
Amount of bonding required:	<u>\$ 102,761</u>

Since you have agreed to increase the bond coverage to the required amount, this matter is considered closed. Please provide a copy of the bond to this office at the address shown above.

I want to extend my appreciation for your and your staff's cooperation and courtesy during the compliance audit. If we can be of any assistance in the future, do not hesitate to call.

Sincerely,

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Investigator

Enclosures