

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
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March 30, 2009

Mr. James Henderson, Secretary-Treasurer
Food & Commercial Workers
Local 566
P.O. Box 1191
Moundsville, WV 26041

LM File Number: 010-036
Case Number: [REDACTED]

Dear Mr. Henderson:

This office has recently completed an audit of Local 566 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 on March 27, 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.

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 566's 2008 records revealed the following recordkeeping violation:

Information not Recorded in Meeting Minutes

Article 34(E) of the United Food & Commercial Workers International Constitution and Article VII, Section F of Local 566 Bylaws states, "The Recorder shall report the minutes of each Local Union membership and Executive Board meeting, keeping an accurate and permanently bound record of all proceedings." Review of the audit year minutes provided to OLMS showed Local 566 never recorded the executive board meeting minutes. Secretary-Treasurer Henderson also could not provide a bound book of membership meeting minutes for the period prior to and including July, 2007, through December, 2007; however, he did provide some loose-leaf pages of membership meeting minutes. Additionally, Local 566 authorized a salary increase for the president of \$40.00 per month; however, missing from the minutes was the date for this authorization.

A review of the current records for the period of January, 2008, through March, 2009, showed that Local 566 has followed the United Food & Commercial Workers International Constitution and Local 566 Bylaws and recorded and dated monthly membership minutes in a bound record and, therefore, already corrected this violation. Based on your assurance that Local 566 will record executive board meeting minutes and retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violation

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-3) filed by Local 566 for fiscal year ending June 30, 2008, was deficient in that Item 56 (additional

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information) was not completed. Item 9 (place records are kept) must be answered "yes" or "no." If the answer is "no," the address where your union's records are kept must be provided in Item 56 (additional information).

I am not requiring that Local 566 file an amended LM report for 2008 to correct the deficient item, but Local 566 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Local 566 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: Robert Utt, President