

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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February 1, 2005

Carroll Reynolds, President
Food & Commercial Workers (UFCW)
Local 34-D
1335 Linden Avenue
Baltimore, MD 21227-2407

Dear President Reynolds:

This office has recently completed an audit of UFCW Local 34 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, as Amended (LMRDA). As discussed during the exit interview with yourself on January 31, 2005, 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.

The CAP disclosed the following items that must be corrected to bring Local 34 into compliance with the LMRDA:

Failure to File Bylaws

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. Local 34 amended its bylaws in at various times up until 1984, but a copy of the bylaws was not filed with Local 34's LM-3 report for that year.

As agreed, Local 34 will file two copies of its current bylaws with this agency as soon as possible

Reporting Violations

The CAP disclosed a violation of LMRDA Section 201 (b), because the LM-3 reports filed by Local 34 for fiscal years 2001 and 2002 and 2003 contained the following deficient items:

The instructions for completing the LM Report state that the reporting organization must enter a single "0" in any box used for reporting dollars if the organization has nothing to report. The purpose of entering a "0" is to reflect that the item has been considered and there is nothing to report. Local 34 has filed numerous reports where items that require this entry have been left blank. On the report filed by Local 34 for the Audit Year there are 24 such omissions.

As agreed, if the union correctly records such disbursements and receipts on future reports, no additional enforcement action will be pursued. The union will not be required to file amended reports for the years in question.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping deficiencies were revealed during the audit of Local 34's fiscal year 2003 records:

Receipts, vouchers for reimbursements to officers, lost time vouchers, and various other records are not produced or retained. In particular, the audit revealed the absence of American Express receipts for the various charges that were made throughout the year. The fact that Local 34 retained the AMEX statements does not relieve the union of the requirement to maintain the supporting documentation.

As agreed, provided that Local 34 maintains adequate documentation of its activities in the future, no additional enforcement action will be taken regarding this violation.

False Records

All records required to be maintained must be accurate and complete. During the audit it was discovered that Local 34 had a practice of having officers endorse checks by signing another officer's name. This practice has been in place for an unknown time period. The act of signing someone else's name makes the check a false record. Section 209 (c) of the LMRDA makes it a criminal act for any person to willfully make a false record or to destroy any required record.

As agreed, provided that Local 34 ceases the practice of having one officer sign another officer's name onto any union checks, no additional enforcement action will be taken regarding this violation.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Orem's successors at whatever time you may leave office.

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

Sincerely,

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Investigator /

cc: Treasurer
Local 34 Executive Board