

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Chicago District Office
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November 7, 2005

Floyd Peter Gooding
Secretary-Treasurer
UFCW Local 498-C
1213 Cardinal Drive
Bradley, IL 60915

Re: 2

Dear Mr. Gooding:

This office has recently completed an audit of UFCW Local 498-C 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 you on October 14, 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.

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 violations were revealed during the audit of Local 498-C's records:

1. The local failed to maintain complete and accurate executive board meeting minutes for the months of July, August, September, November, and December 2004. The local also failed to maintain executive board meeting minutes for January, March, April, May, and June of 2005.
2. The local failed to maintain complete and accurate membership meeting minutes for the months of July, August, September, and October 2004. The local also failed to maintain membership meeting minutes for June 2005. Meeting minutes must be maintained for all executive board and membership meetings.
3. The local failed to maintain detailed meal receipts. Check number 74 was written to President Tom Fortino as a reimbursement of negotiation meal expenses. However, the warrant and restaurant receipt do not list who was present and the nature of the meeting. The names of

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individuals present for meal expenses paid for by the union and the locations (names of restaurants) where meal expenses were incurred must be recorded.

4. The local failed to maintain a clear and accurate record of fund transfers. The local must maintain a record that accurately notes the amount of funds transferred, where the funds were transferred from, where the funds were transferred to, and the date of the transfer.

As agreed, provided that Local 498-C maintains adequate meeting minutes and adequate documentation for receipts and disbursements in the future, no additional enforcement action will be taken regarding these violations.

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. Fortino's successors at whatever time you may leave office.

I want to extend my personal appreciation for your and your entire staff'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,

FCC

Investigator