

U.S. Department of Labor

Office of Labor-Management Standards
New York District Office
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July 21, 2010

Mr. Saverio La Sorsa, President
United Food & Commercial Workers
Local 517-S
9201 4th Avenue
Brooklyn, New York 11209

Re: Case Number: [REDACTED]

Dear Mr. La Sorsa:

This office has recently completed an audit of UFCW Local 517-S 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 Production Service & Sales District Council President Robert La Salle, accountant Anthony Maniscalco, attorney Bruce Cooper, and you on July 16, 2010, 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.

Reporting Violations

The CAP 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-2) filed by UFCW Local 517-S for fiscal year ending December 31, 2009, was deficient in that Item 23 (Account Receivable) on Statement A - Assets and Liabilities incorrectly reflected an ending balance of \$63,041. The correct account receivable balance as of December 31, 2009, should be reflected as \$52,312 on the Form LM-2.

UFCW Local 517-S must file an amended Form LM-2 for fiscal year ending December 31, 2009, to correct the deficient item discussed above. The amended Form LM-2 should be electronically filed as soon as possible, but not later than August 13, 2010.

Other Violations

The CAP disclosed the following other violation(s):

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. The UFCW Local 517-S's commercial crime policy is inadequate as it relates to the protection required by Section 502 (Bonding). UFCW Local 517-S should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as adequate coverage has been obtained, but not later than August 13, 2010.

I want to extend my personal appreciation to UFCW Local 517-S 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 La Salle - PSSDC President
Bruce Cooper - Attorney