



December 6, 2022

Mr. Charles Bond, President
UFCW Local 192C
[REDACTED]

Case Number: 110-6023242([REDACTED])
LM Number: 046586

Dear Mr. Bond:

This office has recently completed an audit of the now terminated UFCW Local 192C 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 and Council Vice President and Director Region 3 Gerald Setley on November 22, 2022, 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 Violations

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.

UFCW Local 192C terminated effective March 30, 2022. The audit of Local 192C's records included a review of 2021 and 2022 records, and revealed the following recordkeeping violations:

1. General Disbursements

Local 192C did not maintain adequate records for disbursements during partial fiscal year 2022. Documentation for fiscal year 2021's general business expenses were maintained, however the union failed to maintain statements, invoices, warrants, or receipts for any disbursements after December 31, 2021.

The union must maintain itemized receipts and/or invoices provided by merchants and vendors. There was a donation to UFCW Local 61 on January 10, 2022, where no documentation was retained. The union also continued phone service and rent payments until February 2022, where no documentation was maintained.

An itemized invoice is necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206. As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Time

Local 192C did not retain adequate documentation for lost time reimbursement payments to union officers. The union must maintain records in support of lost time claims that identify each date the lost time was incurred, the number of hours lost on each date, the applicable rate of pay, and an adequate description of the union business conducted. The OLMS audit found that Local 192C maintained some timecard prints to show each date lost time incurred, the number of hours lost on each date, and an adequate description of the union business conducted was recorded on a warrant slip. However, the union failed to always attach the timecard print to every warrant.

3. Failure to Maintain Minutes

Local 192C failed to maintain minutes of executive board and membership meetings during the period. Although the union office experienced a break-in in November 2020, this should not have affected the retention of minutes going forward. The audit found that the union failed to retain any minutes for current or prior fiscal years. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Local 192C is no longer in existence; therefore, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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 192C for the fiscal year ended June 30, 2021, was deficient in the following area:

1. Disbursements to Officers

Local 192C did not properly report payments to officers in Item 24 (All Officers and Disbursements to Officers), Column E (Allowances and Other Disbursements). The union failed to include all reimbursements to officers and listed incorrect amounts of lost time paid in Column E.

The union must report most direct disbursements to Local 192C officers, and some indirect disbursements made on behalf of its officers, in Item 24 Column E. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Delinquent Filing

Local 192C ceased operations effective March 30, 2022 and transferred the remaining funds to the International. However, a terminal report was not filed within 30 days after the date of termination. During the audit, Local 192C filed the required terminal report during the audit.

Local 192C is no longer in existence; therefore, I am not requiring the union file an amended LM report for 2021 to correct the deficient items.

Other Issue

Failure to Follow Bylaws

Article IX, Section C of Local 192C's bylaws requires that checks be signed by two of the three trustees (executive board members). After December 31, 2021, Terri Alcock signed the remaining checks with no co-signer. The two-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed documental ready signed.

I want to extend my personal appreciation to UFCW Local 192C, and the Council for the

cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Gerald Setley, Council VP and Director Region 3