



February 22, 2023

Trese Taylor, President
United Food and Commercial Workers Local 1048C
500 Lee Avenue
Building #5228
Fort Lee, VA 23801

Case Number: 450-6024875()

Dear Ms. Taylor:

This office has recently completed an audit of United Food and Commercial Workers (UFCW) Local 1048C 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 Treasurer Wendy Taylor on February 14, 2023, 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.

The audit of Local 1048C's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 1048C did not retain adequate documentation for several disbursements the union made during the fiscal year.

As 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. Failure to Maintain Bank Statements

The audit revealed that Local 1048C did not maintain all of its bank statements for the union's accounts. As noted above, all union records must be maintained. 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.

3. Failure to Maintain Receipt Records

The audit revealed that Local 1048C did not maintain bank deposit slips and dues check-off reports provided by the employer. All union receipts records must be maintained. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

4. Lost Wages

Local 1048C did not retain adequate documentation for lost wage reimbursement payments to union officers. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

Based on your assurance that Local 1048C will retain adequate documentation in the future, 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, which requires labor organizations to file reports. Local 1048C was deficient in the following areas:

1. Failure to File Form LM-1

The audit disclosed a violation of LMRDA Section 201(a), which requires labor organizations to file an LM-1 report within 90 days after becoming subject to the LMRDA and provide information such as the union's name, address, officers, membership composition, and practices and procedures. Local 1048C has been in existence for several years, but has never filed a Form LM-1 with OLMS.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its constitution and bylaws within 90 days after becoming subject to the LMRDA. Local 1048C has been in existence for several years, but has never filed a copy of its constitution and bylaws with OLMS.

3. Failure to File LM-4 Reports

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 within 90 days after the end of the labor organization's fiscal year. Local 1048C failed to file LM-4 reports for the fiscal years ending December 31, 2020 and December 31, 2021. The president and secretary-treasurer are personally responsible for timely filing the union's LM-4 reports. Failure to timely file the LM-4 reports in the future could result in the initiation of enforcement proceedings.

Local 1048C must file a Form LM-1, a copy of its constitution and bylaws, and LM-4 reports for the fiscal years ending December 31, 2020 and December 31, 2021 to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The LM-1, constitution and bylaws, and LM-4 reports must be filed no later than March 24, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Violations

Failure to Hold an Election

The LMRDA requires all local unions to hold an election of officers at least every three years. The audit revealed that Local 1048C has not held an officer election in more than three years. An officer election must be held as soon as possible.

Other Issues

1. Lost Time Policy

As I discussed during the closing interview, the audit revealed that Local 1048C does not have a clear policy regarding when union officers can be compensated for time used to conduct union business. OLMS recommends that unions adopt written guidelines for these matters.

2. Two Signatures on Checks

The audit revealed that some union checks only contained the signature of one union officer. The two-signature requirement is an effective internal control of union funds. OLMS recommends that Local 1048C require two signatures on all union checks to improve the internal control of union funds.

I want to extend my personal appreciation to UFCW Local 1048C 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,

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Investigator