



April 20, 2010

Mr. Ricardo Barbosa, Former President  
Empleados Supermercados Pueblo, Inc.  
HC 1 Box 8055  
Toa Baja, PR 00949

Case Number: [REDACTED]  
LM Number: 044710

Dear Mr. Barbosa:

This office has recently completed an audit of Empleados Supermercados Pueblo, Inc. 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 Former President Ricardo Barbosa on May 26, 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.

#### 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 Empleados Supermercados Pueblo's 2007 records revealed the following recordkeeping violation:

1. Failure to Maintain Cancelled Checks:

Empleados Supermercados Pueblo did not maintain copies of the cancelled checks for the audited year. The union was required to retain the cancelled checks to verify the accuracy and purpose of disbursements.

Based on the fact that Empleados Supermercados Pueblo went out of existence in 2007, OLMS will take no further enforcement action at this time regarding the above violation.

## 2. Failure to Maintain Meeting Minutes:

Union Supermercados Pueblo, Inc. maintained no minutes for the audited year 2007 membership meetings. Minutes of all membership and executive board meetings must report any disbursement authorizations or decisions made at those meetings. All such minutes must be retained.

Based on the fact that Empleados Supermercados Pueblo went out of existence in 2007, OLMS will take no further enforcement action at this time regarding the above violation.

### 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 Terminal Report (Form LM-3) was not filed by Empleados Supermercados Pueblo.

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Empleados Supermercados Pueblo failed to file its latest constitution and bylaws, which is undated. Empleados Supermercados Pueblo provided this investigator with a copy of its constitution and bylaws.

I want to extend my personal appreciation to Empleados Supermercados Pueblo, Inc. 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