



October 8, 2014

Mr. Edward Martin, President  
Food & Commercial Wkrs, Local 191T

Case Number: 410-6000590  
LM Number: 014642

Dear [REDACTED]:

This office has recently completed an audit of Food & Commercial Wkrs Local 191T 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 Secretary Treasurer Scott Terry on October 7, 2014, 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 191T's 2013/2014 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit President Edward Martin advised OLMS that the membership authorized a salary for the Secretary/Treasurer position of \$75.00 per month and a salary of \$100.00 per month for the President. Article 34, Section B(4) of the bylaws requires salaries for union offices shall be approved by the Executive Board. The minutes of the meetings do

not contain any reference to this issue. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Failure to Record Receipts

Local 191T did not record in its receipts records some employer dues check off checks totaling at least \$1,875.00. For example, the union received a dues rebate of \$625.00 on November 18, 2013 and a dues rebate of \$1,250.00 on December 20, 2013. These monies were deposited into the union's operating account but the union failed to record the receipts in the union ledger. 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.

Based on your assurance that Local 191T will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Information

The audit disclosed the Local President and Secretary-Treasurer were receiving a salary from the union however there were no IRS Form W-2's (Wage and Tax Statement) or 1099's (Miscellaneous Income) located in the union files. It is recommended the union contact the IRS for tax withholding guidance and to obtain the proper instructions for completing the necessary tax forms.

I want to extend my personal appreciation to Food & Commercial Wkrs Local 191T 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: Mr. Scott Terry, Secretary Treasurer