



September 19, 2018

Mr. Joshua Ortego, Secretary Treasurer
UFCW Local 273c
1145 Bobby Jo Rd.
Ville Platte, LA 70586

Case Number: 420-6014330
LM Number: 047078

Dear Mr. Ortego:

This office has recently completed an audit of UFCW Local 273c 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 with you during the exit interview on September 13, 2018, 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.

Record Keeping 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 273c's 2017 records revealed the following recordkeeping violations:

1. Lost Wages

Local 273c did not retain adequate documentation for lost wage payments to union officers totaling \$1,191.32. Though the local did notate in the memo section of the checks the officers name, lost time, or mileage, the union failed to have adequate documentation listing a detailed account of the work performed, including but not limited to the individual's name, reason for lost

time, rate of pay, mileage, arbitration case number or name, and an official copy of the individual's timesheet, that would clarify or explain the transactions. The union must maintain records in support of lost wage claims and expenditures 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. The OLMS audit found that Local 273c did not identify the nature of the lost time beyond writing the claim in the memo section of the issued check.

During the exit interview, I provided a compliance tip sheet, Union Lost Time Payments, which contained a sample of an expense voucher Local 273c may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

2. Meal Expenses

Local 273c records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, check number [REDACTED] for \$109.74, written out to the Palace Café on September 8, 2016, did not list the names of the officers or members present, in addition to not listing its union purpose. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Reimbursed Auto Expenses

President Cody Ortego and Secretary Treasurer Joshua Ortego received reimbursements for business use of their personal vehicles but did not retain adequate documentation to support payments to them totaling at least \$185.00 during 2017. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 273c will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Failure to File Bylaws

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. Local 273c amended its constitution and bylaws in 2016, but did not file a copy with its LM report for that year.

Local 273c has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to UFCW Local 273c 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,

A large black rectangular redaction box covering the signature area.A small black rectangular redaction box covering the name of the investigator.

Investigator

cc: Mr. Cody Ortego, President