U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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June 21, 2007

Mr. Harris Raynor, President
Food & Commercial Workers
Local 218
4405 Mall Blvd., Suite 600
Union City, GA 30291

LM File Number 041-346
Case Number: [redacted]

Dear Mr. Raynor:

This office has recently completed an audit of UFCW Local 218 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 on June 12, 2007, 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 Violation

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of the misplaced and/or lost union records, all union records must be kept for a period of five years. Election records must be kept for a period of one year.

As agreed, provided that Local 218 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation. The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 218's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to $100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can also result in a fine of up to $100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 applies to any person, not just the individuals who are responsible for filing the union's LM report.

Reporting Violation

The CAP disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. UFCW merged with UNITE HERE in approximately September 2005. After the merger, UNITE HERE filed for and obtained a new filing number for Local 218. You must file a terminal report for the old Local 218 and indicate in item 56 the disbursement of the union funds to the new Local 218. As agreed, you will file the terminal report for the old Local 218 and submit it to this office no later than July 16, 2007.

I want to extend my personal appreciation to UFCW Local 218 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,

[redacted]
Investigator