

**U.S. Department of Labor**

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March 17, 2009

Susan Parker, President  
Food & Commercial Workers, AFL-CIO  
Local 192C  
25 Seminary Avenue  
Auburn, NY 13021

LM File Number: 046-586

Case Number: [REDACTED]

Dear Ms. Parker:

This office has recently completed an audit of the UFCW Local 192C 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 Financial Secretary Terri Alcock on March 11, 2009 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 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 192C's 2007/2008 records revealed the following recordkeeping violation:

1. Meal Expense

Local 192C did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$300. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 192C 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, reimbursements to former local President Cindy Wilkinson and to Financial Secretary Terri Alcock failed to provide adequate explanations. 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.

2. General Expenses

Local 192C did not retain adequate documentation for unused advance monies returned to the local by former President Wilkinson or Financial Secretary Alcock, totaling at least \$250. Advances were made to these officers to purchase gifts for various union functions and purchase a computer. Receipts were provided for the portion of the advance that was used but no record was kept for the unused advance that they returned to the union. The investigation revealed that the un-receipted returned monies from advances were deposited into the local's checking account.

As previously 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.

Based on your assurance that Local 192C will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 Annual Report Form LM-3 filed by Local 192C for fiscal year ending June 30, 2008, was deficient in that:

Purchase of Fixed Assets

During the reporting period Local 192C purchased a new desktop computer for \$560.08. This purchase was not reported in Item 52 (Purchase of Investments & Fixed Assets) and it appears the union erroneously reported this payment in Schedule 24 (All Officers and Disbursements to Officers). Additionally, this fixed asset purchased should have been included in Item 29 (Fixed Assets), Column B (End of Reporting Period).

I am not requiring that Local 192C file an amended LM report for 2008 to correct the deficient items, but Local 192C has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 192C's officers and employees are currently bonded for \$15,000, but they must be bonded for at least \$17,175. Local 192C should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 20, 2009.

I want to extend my personal appreciation to Local 192C, for their 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 be of any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Terri Alcock, Financial Secretary  
Laurie Kilmer, Vice President  
Tina McIntosh, Recording Secretary