

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
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March 16, 2009

Mr. Larry Plumb, President
UFCW Regional Council 4
51 Cavalier Road, Suite 240
Florence, KY 41042-1684

LM File Number: 542-935
Case Number: [REDACTED]

Dear Mr. Plumb:

This office has recently completed an audit of United Food and Commercial Workers Regional Council 4 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 Investigator Brandon Kramer discussed during the exit interview with you and Tom Bierman on November 15, 2008, 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.

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 Annual Report Form LM-3 filed by Regional Council 4 for the fiscal year ending December 31, 2007 was deficient in that:

1. Reporting Officer Positions

Regional Council 4 did not report the names of all officers and the amounts paid to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year regardless of whether they received any payments from the union. You have agreed to list all executive board officers in future reports.

2. 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. Regional Council 4 amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year. Regional Council 4 has now filed a copy of its constitution and bylaws.

I am not requiring that Regional Council 4 file an amended LM report for 2007 to correct the deficient items, but Regional Council 4 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Use of Signature Stamp

During the audit, you and Mr. Bierman advised that it is the local's frequent practice for you to sign union checks and to stamp the signature of Secretary-Treasurer Lenny Wyatt on union checks. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check and negates the purpose of the two signature requirement. OLMS recommends that Regional Council 4 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to UFCW Regional Council 4 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,

Lesta A. Chandler
District Director

Mr. Larry Plumb
January 26, 2009
Page 3 of 2

cc: Mr. Tom Bierman, Financial-Secretary