



July 8, 2013

Mr. Timothy Fitzpatrick, Former President  
Food & Commercial Workers Textile & Garment Council

Case Number: 430-10524 ( )  
LM Number: 541898

Dear Mr. Fitzpatrick:

This office has recently completed an audit of Food & Commercial Workers Textile & Garment Council 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 18, 2013, 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 the council for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

The council did not include some reimbursements to officers totaling at least \$1,000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to the council's officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer

traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Item 3 Incorrectly Marked

Although the council may have been inactive after December 31, 2010, as you stated during the exit interview, the council did not terminate until March 31, 2011 when the council closed its bank accounts. Therefore, Item 3 of the LM-3 report is incorrectly marked as “terminal.”

3. Failure to File

The council failed to file a terminal report reflecting the correct date that the council terminated with a zero balance of the assets and an explanation in Item 56 of how the council’s remaining funds in the account were dissolved.

The council must file an amended Form LM-3 for the fiscal year ended December 31, 2010 to correct the deficient items discussed above and a terminal report for fiscal year 2011. I encourage the council complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically **no later than July 31, 2013** or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Food & Commercial Workers Textile & Garment Council 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. Ricky Eddy, Former Treasurer