

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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June 20, 2007

Mr. Shane Rippey, President
Food & Commercial Workers
Local 428
2557 S.W. Dalpina Road
Port St. Lucie, FL 34953

Re: Case Number [REDACTED]

Dear Mr. Rippey:

This office has recently completed an audit of Food & Commercial Workers Local 428 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 Secretary-Treasurer Bob Wallace, International Representative Dennis Albritton and you on May 16, 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.

The CAP disclosed the following violations:

Recordkeeping Violations

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 receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 428's 2006 records revealed the following recordkeeping violation:

Officer and Employee Expenses

Union officers failed to maintain adequate documentation for disbursements including purchases of food and beverage items, party supplies, and flowers for funerals of union members and relatives. Most receipts were kept for reimbursed expenses; however, the union did not always record the purpose of the expenses and not always include the names of individuals receiving the goods or services. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals receiving items paid for by the union and the locations (names of vendors and restaurants) where expenses were incurred must also be recorded. These steps are necessary in order to verify that purchased items are being used for union business rather than personal use.

As agreed, provided that Local 428 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Failure to Maintain Minutes

The union failed to maintain adequate minutes for membership and executive board meetings. The union did not provide complete minutes for meetings held during the audit year. Minutes for certain meetings were misplaced or not recorded properly.

Food and Commercial Workers, Local 428, has become aware of the record keeping requirements enforced by Title II of the LMRDA and agreed to maintain minutes for membership and executive board meetings in the future; therefore no additional

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action will be taken regarding this violation at this time. However, OLMS follow-up may be scheduled to ensure compliance with this requirement.

Reporting Violations

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. The Labor Organization Annual Report (Form LM-3) filed by Local 428 for fiscal year ending June 30, 2006, was deficient in the following area:

Failure to File Bylaws

The CAP 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 constitution or bylaw changes are made. Local 428 amended its constitution and bylaws in September of 2000, but a copy was not filed with its LM report for that year.

A copy of Local 428's constitution and bylaws has now been filed, and therefore, the reporting deficiency was corrected.

I want to extend my personal appreciation to Food & Commercial Workers Local 428 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. Bob Wallace, Secretary-Treasurer
4624 Brady Boulevard
Del Ray Beach, FL 33445