

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
Seattle, Washington 98101
(206) 398-8099 / FAX: (206) 398-8090



April 2, 2005

Mr. John Ehnat, Treasurer
Food and Commercial Workers Local 110-C
5211 South State Street
Tacoma, Washington 98409

Re: 2

Dear Mr. Ehnat:

This office has recently completed an audit of Food and Commercial Workers, Local 110-C 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, as Amended (LMRDA). As discussed during the exit interview with Secretary-Treasurer John Ehnat on April 1, 2005, 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.

Bonding Coverage

The compliance audit disclosed that your organization is not bonded as required under Section 502 of the LMRDA. As you were advised, Section 502 requires that each officer, agent, shop steward, other representative or employee of a labor organization who handles funds or other property of the organization must be bonded against loss by reason of fraud or dishonesty. The CAP disclosed that the total funds handled during the preceding year were \$36,733.46. Bond coverage must be fixed at 10 percent or more of the total funds handled during the preceding year. Ten percent of this amount is \$3,673.46.

You advised this agency that you will provide proof of your bond coverage at the required 10 percent and furnish a copy of the certificate when received.

Reporting Violations

The CAP disclosed violations of LMRDA section 201(b), as the Labor Organization Annual Report (Form LM-3) filed by Food and Commercial Workers Local Union 110-C for fiscal year ending June 30, 2004 was deficient in the following areas.

Item 24

The LM-3 report filed for fiscal year ending June 30, 2004 erroneously indicated the Local 110-C president and secretary/treasurer each earned \$113.00 per year under item 24(D). However, the audit showed the officers earned a significantly higher gross salary. In addition, the secretary showed a salary

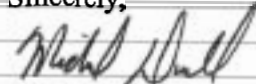
of \$89.00 per year under item 24(D), however the audit showed the secretary received a higher gross salary.

Under item 24(E), the LM-3 report filed for fiscal year ending June 30, 2004 erroneously indicates the Local 110-C president received \$2,756, the secretary/treasurer received \$5,165 and the secretary received \$812.00 per year respectively. However, the audit indicated the officers received significantly lower allowances and other disbursements.

All direct disbursements to your union's officers must be included in the amounts reported in item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value.

Our office received an LM-3 amended report for fiscal year ending June 30, 2004, therefore no additional enforcement action will be taken regarding these violations. I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,



Michael Duvall
District Director

cc: President Alvin Magee