



May 26, 2010

Mr. Lennie Wyatt, President
UFCW Local 75
913 Lebanon Street
Monroe, OH 45050

Case Number: [REDACTED]
LM Number: 544-266

Dear Mr. Wyatt:

This office has recently completed an audit of UFCW Local 75 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, Secretary/Treasurer Steve Culter, Director of Finance Tom Bierman, and Local 75 Counsel Pam Newport on May 21, 2010, 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 Violations

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 75's 2009 records revealed that for at least one of its member appreciation events during which the local collected money from its members for the sale of tickets there was inadequate documentation in the records. Specifically, there were no duplicate receipts or other records to show the source of \$720 in cash deposited on September 4, 2009 for the purchase of Kentucky Speedway tickets.

Based on your assurance that Local 75 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Other Issue

The audit disclosed that Local 75's practice allows for the use of signature stamps in lieu of two original signatures. However, Article IX of Local 75's bylaws requires that checks be signed by two of the three trustees. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document. However, the use of signature stamps does not attest to the authenticity of completed checks, and negates the purpose of the two signature requirement. Although it appears that Local 75 has other controls in place, OLMS recommends that the local review these procedures to ensure internal control of union funds.

I want to extend my personal appreciation to UFCW Local 75 for the cooperation and courtesy extended during this compliance audit. I 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: Secretary Treasurer Steve Culter