

**U.S. Department of Labor**

Employment Standards Administration  
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St. Louis District Office  
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March 12, 2010

Mr. Wayne Pafford, Treasurer  
United Food & Commercial Workers  
Local 887  
4540 West Ely Road, Apt. 907  
Hannibal, MO 63401

LM File Number 070-276  
Case Number: [REDACTED]

Dear Mr. Pafford:

This office has recently completed an audit of UFCW Local 887 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 March 10, 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 887's 2009 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 887 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$6,560.56. For example, seven payments to Unique Floral totaling \$1,274.64; nine Visa purchases to Wal-Mart totaling \$521.38; and four Visa purchases to Riviera Hotel and Casino in Las Vegas, NV totaling \$2,130.55.

As previously noted, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Receipt Dates not Recorded

Entries in Local 887's Trustees Audit Report reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

3. Bank Statements

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Local 887 did not maintain all checking, savings, and certificate of deposit bank statements. For example, September 2008 through January 2009 checking account statements were missing.

Based on your assurance that Local 887 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to UFCW Local 887 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: Karl Williams, President