



## Memorandum

**To:** James F. Small, Director  
Region 21

**From:** Yvonne T. Dixon, Director  
Office of Appeals

**Subject:** United Food & Commercial Workers Union, Local 135  
(Albertons)  
Case No. 21-CB-14457

May 30, 2007

In order to decide the appeal in the above matter we would appreciate additional investigation regarding Charging Party Danielle Cookson's allegation that the Union has failed to allocate overhead expenses proportionally between chargeable and non-chargeable expenses. Prior to filing her charge, Cookson both objected to paying dues, and challenged the Union's determination of her service fee. She surmises that her service fee is 95.7 percent of full member dues, rather than a lesser amount, because the Union has designated all overhead expenses as 100 percent chargeable, despite the fact that the Union admits to \$419,160 in non-chargeable expenses. This figure is 4.3 percent of the union's \$9,768,325 total expenses.

The General Counsel recently determined in a similar case, *Teamsters Joint Council 7 (Anheuser-Busch, Inc.)* Case No. 20-CB-12401, et al (see attached letter) that there was a "lack of proportionality" between the 100 percent chargeability of salaries and other overhead expenses and the union admittedly engaging in non-chargeable activities. This lack of proportionality – where 100 percent of overhead was designated as chargeable, despite non-chargeable expenses – indicated that the information provided to the charging party was insufficient. Relying on General Counsel Memorandum 98-11, the General Counsel determined in *Anheuser-Busch, Inc.* that the Region should investigate whether it is appropriate for a Union to deem salary and overhead/administrative expenses to be 100 percent chargeable where there is evidence that the Union has engaged in nonchargeable activities during the relevant period. In that case, the Union on remand re-examined its expenses and made modifications.

In the instant case, UFCW Local 135 admits that it engages in sizable non-chargeable activities, yet it designated no non-chargeable overhead.<sup>1</sup> Therefore, the Region should ask

---

<sup>1</sup> This admission provides the "promising lead[]" that would lead to evidence" to support the Charging Party's assertion that the salary and administrative expenditures are not chargeable. General Counsel Memorandum 98-11.

the Union to demonstrate how those activities were accomplished without the use of paid staff time or other administrative resources.

- 1) Please ask Local 135 to justify how its administrative categories can be 100% chargeable in view of the existence of sizable non-chargeable items presumably requiring administrative oversight. Categories in which an allocation of administrative expenses to non-chargeable expenses is potentially required include payroll and related expenses, health and welfare benefits, office supplies and expenses, postage & shipping, utilities, telephone, printing, travel, rent, etc.
- 2) If Local 135 acknowledges that its non-chargeable expenses require the use of overhead, please ask Local 135 to provide evidence establishing with as much precision as possible the amount of such administrative expense. Require Local 135 to explain why such administrative expenses should be designated as chargeable or non-chargeable.
- 3) Please ask the charging party if she appealed the Union's Executive Board decision to an arbitrator, if she already attended arbitration, and if so, the status of any arbitration. Obtain any arbitrator's decision, if available.

The ROFs are returned for your convenience. Upon completion of the investigation, please return the files with your comments. If you would recommend some other action, please contact this office.



Y.T.D.