U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
1240 East Ninth Street
Room 831
Cleveland, OH 44199
(216)357-5455 Fax: (216)357-5425

January 9, 2007

Mr. Gary Cheek, President
Auto Workers Local 1623
PO Box 45
Bellevue, OH 44811

Re: Case Number: [redacted]

Dear Mr. Cheek:

This office has recently completed an audit of Auto Worker Local 1623 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 and [redacted] on October 18, 2006, 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 a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. Local 1623 amended its bylaws in 2004, but a copy of the bylaws was not filed with Local 1623's LM-3 report for that year.

A copy of Local 1623's bylaws was obtained during our audit. No further action is required at this time. Please ensure that any future bylaws amendments are filed in a timely fashion.

The CAP also disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 1623 for fiscal year ending December 31, 2005 was deficient in the following areas:

- There was a discrepancy of over $10,000 in reconciliation of cash. As explained in the form instructions, beginning cash (Item 25(A)), plus receipts (Item 44), minus disbursements (Item 55), should equal ending cash (Item 25(B)). Based on that mathematical formula, the amount listed on the LM-3 Report as ending cash

was over $10,000 short. The audit determined that the report was incorrectly prepared on the "accrual" method of accounting, resulting in an under report of disbursements.

- The CAP found significant misclassification of disbursement items on the report. For example, payments for Office & Administrative Expenses, Professional Fees and Contributions Gifts & Grants (Items 48, 49 & 51) were all under reported, while the Other (Item 54) category was over reported.

- The theft of the local's laptop computer, valued at $1,400, was not reported on the 2005 LM report.

Because Local 1623 submitted an amended 2005 LM-3 Report to the Cleveland District Office correcting the above mentioned errors, no further action is contemplated regarding this matter at the present time.

I want to extend my personal appreciation to Auto Workers Local 1623 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,

Fred Vaudrin
District Director