U.S. Department of Labor

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May 4, 2007

Mr. Vincent Narolis, Treasurer
Auto Workers, AFL-CIO
Local 2367
308 Sam Street
Rome, New York 13440

LM File Number 008-802
Case Number:

Dear Mr. Narolis:

This office has recently completed an audit of UAW Local 2367 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 President William Murphy on April 20, 2007, 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 2367's 2006 records revealed the following recordkeeping violations:

1. Reimbursed Expenses

   Local 2367 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the officers. As previously noted above, 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. Meal Expenses

   Local 2367 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Lost Wages

   Local 2367 did not retain adequate documentation for lost wage reimbursement payments. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 2367 submitted vouchers for lost time but the vouchers do not identify the union business conducted that required lost time.

Based on your assurance that Local 2367 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Also, during the audit, Local 2367 failed to provide the receipts for the union's annual clambake held in August 2006. During the closing interview it was revealed that the union did retain these receipts but was not aware that these records were required to be reviewed as part of the audit process. Local 2367 have since provided copies of these receipts. All receipts are documented and accounted for.

I want to extend my personal appreciation to UAW Local 2367 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: William Murphy, President