U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 17, 2007

Mr. Guy Messina, President
United Auto Workers, AFL-CIO
NJ CAP Council
56 Vineyard Road
Edison, NJ 08817

LM File Number 070-368
Case Number: [redacted]

Dear Mr. Messina:

This office has recently completed an audit of UAW NJ CAP Council 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, Milton Rosado and Alicia Adams on July 17, 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.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by CAP Council for fiscal year ending December 31, 2005, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

   NJ CAP Council did not include some reimbursements to officers totaling at least $1000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48. The union must report most direct disbursements to NJ CAP Council officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct

disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

3. Total Disbursements

NJ CAP Council inaccurately reported the total amount of disbursements in Form LM-3 for fiscal year ending December 31, 2005. The organization's LM-3 report, Item 55 Total Disbursements reflected $67,976. However, the audit disclosed that the organization's total disbursements were $68,811. Therefore, the union must amend its LM-3 report to accurately reflect total disbursements in fiscal year ending December 31, 2005

NJ CAP Council must file an amended Form LM-3 for fiscal year ending December 31, 2005, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than August 3, 2007. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to UAW NJ CAP Council 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,

[redacted]
Investigator

cc: Milton Rosado, International Representative
Bob Ambrosini, Treasurer