



September 3, 2013

Craig Zito, Treasurer  
UWUA Local 126  
350 East Cuyahoga Falls  
Akron, OH 44310

Case Number: 360-16366 [REDACTED]  
LM Number: 021031

Dear Craig Zito:

This office has recently completed an audit of UWUA Local 126 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 on May 31, 2013, 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.

#### 1. Credit Card Receipts

Some receipts associated with the union credit cards charges were not found in the union records. Receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206. Local 126 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.

Based on your assurance that Local 126 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### 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 Local 126 for the fiscal year ended December 31, 2012 was deficient in the following areas:

#### 1. Credit Card Charge Reporting

Credit card charges were reported under the name of the officers that appeared on the union card, instead of reporting each credit card transaction according to its purpose. This caused inaccuracies in reported allowances paid to officers and in other categories of disbursements reported on the LM 3. Only credit card charges that are attributable to a individual's benefit should be reported under a member's name in item 24E of the LM-3 report.

#### 2. Reimbursed Lost Time

The union is billed quarterly by the company for total lost time taken while on the company payroll. Lost time that is reimbursed to the company has not been reported under the officer's name on the LM-3 report.

#### 3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 126 amended its constitution and bylaws in 2009, but did not file a copy with its LM report for that year.

Local 126 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to UWUA Local 126 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: Ryan Zito, President