U.S. Department of Labor

Employment Standards
Administration
Office of Labor-Management
Standards
Cleveland District Office
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July 30, 2007

Mr. James Stevens, Secretary-Treasurer
Auto Workers AFL-CIO
Central Ohio Area CAP
5157 Columbus-Sandusky Road
Marion, OH 43302-9719

Re: Case Number: [redacted]

Dear Mr. Stevens:

This office has recently completed an audit of Auto Workers Central Ohio Area CAP 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 on July 12, 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 Auto Workers Central Ohio CAP 2006 records revealed the following recordkeeping violations:

1. Cash Receipts

Central Ohio CAP did not retain adequate documentation of the sales of hitch covers and ball caps. All receipts from the sales of these items were not recorded in union record and an accurate account of the sales and inventory of these supplies could not be determined. The union purchased the above items at a cost of $4,896.75. Receipts recorded for these items totaled $1,736.81. The remaining inventory on hand is valued at $1,140.96. Therefore, there is $2,018.98 in unaccounted inventory.

Central Ohio CAP has established an accurate inventory of the supplies for resale and now maintains adequate records of the sales and receipts of these supplies. Based on your assurance that the union 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, LM-3 filed by Central Ohio CAP for fiscal year ending December 31, 2006 was deficient in the following area:

1. Disbursement to Officers (LM-3)

Central Ohio CAP did not report lost time paid to officers in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments under item 54 (Other Disbursements).

Your union's amended Form LM-3 for FYE ending December 31, 2006 has been received by this office.

I want to extend my personal appreciation to Central Ohio Area CAP 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

cc: Raymond Miller