

**U.S. Department of Labor**

Office of Labor-Management Standards  
Buffalo District Office  
130 South Elmwood, Suite 510  
Buffalo, NY 14202  
(716) 842-2900 / FAX: (716) 842-2901



March 17, 2010

Neil Pascarella, President  
Auto Workers AFL-CIO  
Local 1826  
3938 County Route 45  
Oswego, NY 13126

LM File Number: 071-032

Case Number: [REDACTED]

Dear Mr. Pascarella:

This office has recently completed an audit of the UAW Local 1826 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 Financial Secretary Sally Potter on March 12, 2010 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 the Local 1826's 2009 records revealed the following recordkeeping violation:

### Failure to Record Receipts

Local 1826 did not record receipts records for all 50/50 ticket sales totaling at least \$1,200. Local 1826 sells 50/50 raffle tickets on a weekly basis to raise money for sponsored social events. There is no recording of how much money was raised by the sale or who received the winning proceeds. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 1826 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Other Issue

The audit disclosed the following other issue:

#### Account Signatories

As I discussed during the exit interview, the audit revealed that “past officers” are listed as signatories on the local’s checking and savings accounts as well as Certificates of Deposit at the Beacon Federal Credit Union. OLMS recommends that the current officers be listed as signatories on these accounts immediately.

I want to extend my personal appreciation to Local 1826 for their 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 be of any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Sally Potter, Financial Secretary  
Michael Gergats, Recording Secretary  
Jermaine Willis, Vice President