



June 22, 2018

Sonja Shields, Secretary-Treasurer  
UAW CAP Council Region 9A NY

Case Number: 110-6012754 [REDACTED]  
LM Number: 515185

Dear Ms. Shields:

This office has recently completed an audit of UAW CAP Council Region 9A NY 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 Director [REDACTED] on June 20, 2018, 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 CAP Council 9A's 2016 records revealed the following recordkeeping violations:

#### 1. Disposition of Property

CAP Council 9A NY did not maintain an inventory of purchased event tickets used for donations to organizations, nor did it maintain a record of how the event tickets were used and by whom. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must

retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30, including tickets used for events. The union must record in at least one record the date and amount of tickets received from each donation, if any, and how the tickets were disposed of.

In addition, in the case of any tickets potentially given away, the union must retain records that identify the date and the recipients of those disposed tickets.

2. Lack of Director's Fund Authorization

UAW CAP Council 9A NY did not maintain records to verify that the funds marked and utilized as the "Director's Fund" were authorized and therefore properly reported. The union must keep a record, such as meeting minutes, to show the current Director's Fund authorization by those authorized to establish such utilized funds.

Based on your assurance that UAW CAP Council 9A NY will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to UAW CAP Council Region 9A NY 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: [REDACTED], Director