

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
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March 2, 2007

Robert Huckle, President
Auto Workers, AFL-CIO
Local 1752
103 East 14th Street
Elmira Heights, NY 14093-1303

Re: Case No. [REDACTED]

Dear Mr. Huckle:

This office has recently completed an audit of UAW, Local 1752 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 with during the exit interview on February 15, 2007 the following deficiencies 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The audit of Local 1752's 2006 records revealed the following recordkeeping and reporting violations:

Union officers failed to properly record receipts and disbursements in the union ledger. Maintaining both the checking and money market accounts in the same ledger leads to union's end of year reconciliation to be out of balance with their bank records. Our audit revealed that a check for \$25,000 written against the union's checking account to open the money market account was recorded in the disbursement ledger, but never deducted as a disbursement from the checking account. Also, interest earned from the money market account was posted in the receipt ledger for the checking account.

Additionally, entries on the checkbook stubs for three checks all for \$65 [REDACTED] were incomplete. Only the dollar amount and date were listed.

As agreed, provided that Local 1752 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

LM -3 report filed by Local 1752 for Fiscal Year Ending 12/31/2005 failed to include some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in either Item 48 (Office & Administrative Expense) or Item 54 (Other Disbursements). In addition, title and status for one of the officers (Rosekrans) was missing.

All direct disbursements to Local 1752 officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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).

I am not requiring that Local 1752 file an amended LM report for 2005 to correct the deficient items, but as agreed, Local 1752 will properly report the deficient items on all future reports filed with this agency.

The CAP also 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 constitution or bylaw changes are made. Local 1752 amended its constitution and bylaws in 2006, but a copy was not filed with its LM report for that year. A copy of Local 1752's constitution and bylaws has now been filed.

I want to extend my personal appreciation to you and your staff for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

██████████
Investigator

cc: Barry Snyder – Financial Secretary
Karen Jochem – Recording Secretary