

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
130 South Elmwood Avenue
Room 510
Buffalo, NY 14202-2465
(716)842-2900 Fax: (716)842-2901



December 7, 2007

Mr. Chet Lawrence, President
Auto Workers AFL-CIO
Local 2094
500 Commerce Parkway
Amherst, NY 14228

LM File Number 526-917

Case Number [REDACTED]

Dear Mr. Lawrence:

This office has recently completed an audit of Auto Workers Local 2094 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 December 6, 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 Local 2094's 2006 records revealed the following recordkeeping violations:

1. General Expenses

Local 2094 did not retain adequate documentation for some expenses incurred by the union officers. For example, check stubs were retained only for disbursements made prior to July 19, 2006. Also, Tops gift cards totaling at least \$300 were purchased for members of Local 2094, but the union retained no records regarding distribution of these gift cards.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Local 2094 did not require officers to submit itemized receipts for meal expenses totaling at least \$628.33. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized 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 2094 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. For example, there were no notations made on restaurant receipts from Subway, Lee's BBQ and the Buffalo Pizza Co. 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 2094 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 2094 for fiscal year ending January 31, 2006, was deficient in that:

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 2094 amended its bylaws in 2000, but did not file a copy with its LM report for that year.

Local 2094 has now filed a copy of its constitution and bylaws.

Other Issue

Approval of Vouchers

During the audit, you advised that the president and recording secretary sign all vouchers for approval of disbursements. The two signature requirement is an effective internal control of union funds. However, some of Local 2094's vouchers were signed by the second officer several weeks after the disbursement was already made. This negates the purpose of the two signature requirement. OLMS recommends that all vouchers are reviewed and signed in a timely manner prior to the disbursement of union funds.

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I want to extend my personal appreciation to Auto Workers Local 2094 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]