

**U.S. Department of Labor**

Employment Standards Administration  
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March 9, 2009

Mr. Dennis Williams, Chairperson  
Auto Workers, AFL-CIO  
Illinois State CAP Council  
680 Barclay Boulevard  
Lincolnshire, IL 60069

LM File Number 069-456  
Case Number: [REDACTED]

Dear Mr. Williams:

This office has recently completed an audit of Illinois State CAP Council 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, Legislative Director Mark Haasis, and Bookkeeper Allan Baumbach on February 27, 2009, 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.

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 (Form LM-2) filed by Illinois State CAP Council for fiscal year ending December 31, 2007 was deficient in that the funds and financial activities of the Illinois State CAP Council Exchange Account were not included despite the council's control of the Exchange Account.

Mr. Dennis Williams  
March 9, 2009  
Page 2 of 3

I am not requiring that Illinois State CAP Council file an amended LM report for 2007 to correct the deficiency, but Illinois State CAP Council has agreed to include the Exchange Account on all future reports it files with OLMS, including that for 2008.

The audit also disclosed a violation of 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. Illinois State CAP Council amended its constitution and bylaws in 2004 but did not file a copy with its LM report for that year. Illinois State CAP Council has now filed a copy of its constitution and bylaws.

#### Other Violations

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. Since Illinois State CAP Council's previous calculations of its required bonding amount did not include the Exchange Account's liquid assets and receipts, the council was not adequately bonded. Adequate bonding coverage was obtained and documentation provided during the audit. No further enforcement action will be taken.

I want to extend my personal appreciation to Illinois State CAP Council 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,



Investigator

cc: Homer Spaulding, Financial Secretary-Treasurer