



April 27, 2012

Ms. Beverly Shuler, Financial Secretary
United Auto Workers Local 1803
P.O. Box 97
Carey, OH 43316-0097

Case Number: [REDACTED]
LM Number: 070447

Dear Ms. Shuler:

This office has recently completed an audit of United Auto Workers 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 President Ruby Grubbs on April 18, 2012, 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(a), which requires labor organizations to file annual financial report accurately disclosing their financial condition and operations.

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 1803 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Local 1803 has now filed a copy of its revised bylaws.

Other Issues

Signing Blank Checks

During the audit, you advised that you and President Grubbs occasionally sign blank checks to facilitate timely bill paying since the two of you work different shifts. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 1803 review these procedures to improve internal control of union funds.

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I want to extend my personal appreciation to UAW Local 1803 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Ms. Ruby Grubbs, President