



January 6, 2012

Ms. Sara Martin, Financial Secretary
Autoworkers AFL-CIO Local 1407

Case Number: [REDACTED]
LM Number: 068602

Dear Ms. Martin:

This office has recently completed an audit of Autoworkers AFL-CIO Local 1407 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 16, 2011, 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 1407's 2010 records revealed the following recordkeeping violations:

Information not Recorded in Meeting Minutes

During the audit, Ms. Martin advised OLMS that the membership authorized any travel expenses and all disbursements at each monthly membership meeting or the executive board authorized the travel expenses if the expense occurred prior to the monthly membership meeting. Local

1407 meeting minutes mention the motion to approve travel expenses and that the motion passed. However, the minutes of the meeting do not contain any reference to who made the motion or what was approved for the travel expenses. Nor do they include reference to some disbursements made for charity or union expenses. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 1407 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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-3 filed by Local 1407 for the fiscal year ended December 31, 2010, 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 1407 amended its constitution and bylaws in 2003, but did not file a copy with its LM report for that year.

Local 1407 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 1407 file an amended LM report for 2010 to correct the deficient items, but Local 1407 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Autoworkers AFL-CIO Local 1407 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