



July 13, 2016

Mr. Johnny Pruitte, President  
UAW Local 276  
2505 W. E. Roberts St  
Grand Prairie, TX 75051

Case Number: 420-6005833  
LM Number: 014662

Dear Mr. Pruitte:

This office has recently completed an audit of UAW Local 276 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, Jimmy Mack, Ray Lopez, Sharon Livingston, Kim Houston, Corey Mims, Lonnie Morgan, Kerry Wash, Leon Pearson, Kathy Barr, and Frank Baskin on June 30, 2016, 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 276's 2014 records revealed the following recordkeeping violations:

1. Failure to Maintain Receipts Records and Recording Income From Committees

Local 276 did not properly maintain receipts records from various committees. For example, the Women's Committee Chairperson Pauline Mims directly purchased t-

shirts to sell during fundraisers on behalf of the union. The fundraising information including number of items purchased, number of items sold, and amount of funds received were not provided to the union or recorded in the union's records. All purchases made, on behalf of the union, must be made by the union and recorded in the union's records. All original receipts, bills, and vouchers records must be maintained. All income and receipts received, on behalf of the union, must be recorded in the union's records, and include adequate identification of all money received. The records should show the date and amount received, and the source of the money.

The union has agreed all union purchases will be made by the union and not by the committees' members. The union will maintain all receipt and income records. All disbursements and receipts, on behalf of the union, will be made through the union and properly recorded in the union's records as a union asset.

2. Incomplete Vouchers for Officer Reimbursements, Expenses, and Lost Time

Local 276 failed to maintain adequate documentation for officer reimbursements, expenses, and lost time incurred by Michael Cartwright, Terry Valenzuela, Jimmy Mack, Kathy Barr, Karen Rohrsen, Leslee Covington, and Johnny Pruitte. For example, multiple vouchers for reimbursements and other officer expenses were either missing or did not contain the required approving officers' signatures. All vouchers are required to be properly completed.

As 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. The union has agreed to maintain adequate records containing, signatures and all supporting documents to support disbursements prior to issuing the payment.

3. Lack of Officer Monthly Expense Authorization

Local 276 failed to maintain records to verify the increase of the Officer Monthly Expense from \$100.00 to \$150.00, as reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2, was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current officer monthly expense authorized by the entity or individual in the union with the authority to establish the expense. The union has ceased paying the increased amount until proper authorization is provided to OLMS.

The union has required all officers to repay the overpayment of the Officer Monthly Expense increase. Michael Cartwright, Jimmy Mack, Johnny Pruitte, and John Cox have repaid the overpayment of the Officer Monthly Expense. [REDACTED] and Sharon Livingston have not repaid the union.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 276's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

#### 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-2) filed by Local 276 for the fiscal year ended December 31, 2014, was deficient in that:

##### Disbursements to Officers and Employees (LM-2)

Local 276 did not include travel payments to Johnny Pruitte, Michael Cartwright, and Sharon Livingston totaling at least \$2,317.62 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Local 276 file an amended LM report for 2014 to correct the deficient item, but Local 276 has agreed to properly report the deficient items on all future reports it files with OLMS.

#### Other Violation

The audit disclosed the following other violation:

### Inadequate Bonding

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.

I want to extend my personal appreciation to UAW Local 276 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,

Nakeya S. Fincher  
Investigator

cc: Mr. Jimmy Mack, Financial Secretary Treasurer  
Mr. John Cox, Unit 1 Chairperson  
Ms. Sharon Livingston, Unit 2 Chairperson  
Ms. Kathy Barr, Recording Secretary  
Mr. Terry Valenzuela, 1<sup>st</sup> Vice President  
Mr. Leon Pearson, 2<sup>nd</sup> Vice President  
Mr. Frank Baskin, Sergeant at Arms  
Ms. Kerry Wash, Guide  
Mr. Raymond Lopez, Trustee / Worker Program Chairperson  
Ms. Kim Houston, Trustee Chairperson  
Mr. Corey Mims, Trustee / Civil Rights Committee Co-Chairperson  
Mr. Lonnie Morgan, Retiree Chairman  
Mr. Anthony Thomas, CAP Committee Chairperson  
Ms. Essie Scruggs, Civil Rights Committee Chairperson  
Ms. Pauline Mims, Women's Committee Chairperson  
Mr. Gary Land, Veterans' Committee Chairperson  
[REDACTED] 1 Chairperson