

**U.S. Department of Labor**

Employment Standards Administration  
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September 18, 2006

Neil Heuring, Financial Secretary  
Auto Workers AFL-CIO, Local 493  
P.O. Box 231  
Bellevue, Ohio 44811-1407

Re: Case Number: ██████████

Dear Mr. Heuring:

This office has recently completed an audit of Auto Workers, Local 493 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 Mike Black on August 25, 2006, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

In violation of Section 206 of the LMRDA, Local 493 failed to maintain receipts for disbursements such as storage space, hall rental and supplies. Such records are required by law to be maintained for a period of five years after filing of the LM Report based on the information it contains. As agreed, provided that Local 493 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The compliance audit also disclosed a violation of LMRDA Section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when changes are made. LU 493 amended its bylaws in 2002, but a copy of the bylaws was not filed with the union's LM-3 report for that year. A copy of the LU 493's bylaws have now been filed.

Finally, in violation of LMRDA Section 201(b) Auto Workers Local 493 filed a deficient LM-3 Report for its fiscal year ended December 31, 2005. The following discrepancies were noted:

- Item 24 must include all direct and indirect payments to officers. For example, the audit found reimbursement checks to the former [REDACTED] for office supplies. These expenditures must be reported in Item 24 as other disbursements to [REDACTED].
- Professional Fees paid to the union's accountant were recorded in Item #51, Contributions, Gifts and Grants instead of Item 49, Professional Fees.
- Payroll taxes were not reported on the LM-3 report in Item 54, Other Disbursements.

As discussed during the exit interview, Auto Workers Local 493 must file an amended LM-3 Report for its fiscal year ended December 31, 2005, to correct the cited deficiencies. The union amended the LM-3 report for 2005 with the above deficient items corrected. Therefore, no additional enforcement action will be taken regarding this violation.

I want to extend my personal appreciation to [REDACTED] 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,

Fred Vaudrin  
District Director