



August 13, 2010

Ms. Regina Elizalde, Financial Secretary
United Auto Workers LU 969
1301 Hathersage Place
Galloway, OH 43119

Case Number: [REDACTED]
LM Number: 008577

Dear Ms. Elizalde:

This office has recently completed an audit of United Auto Workers LU 969 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 July 15, 2010, 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 969's 2009 records revealed the following recordkeeping violations:

1. General Reimbursed

Local 969 did not retain adequate documentation for reimbursed expenses incurred by retiree chairman totaling at least \$3,000. As previously 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.

2. Failure to Record Receipts - Checkoff

Local 969 did not record in its receipts records one employer dues check off check totaling at least \$2,400. For example, on September 16, 2009, there was a deposit for \$2,409.50 recorded on the checking account's bank statement but not recorded in the union's Summary of Income ledger. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Failure to Record Receipts - Raffle

Local 969 routinely holds 50/50 raffles as fundraisers. However, the local does not maintain any records of how much money is initially raised from the raffle. Furthermore, there were two instances where the union failed to record the 50/50 raffle receipts in the duplicate receipts book. As noted above, union receipts records must include an adequate identification of all money the union receives, including the date and amount received, and the source of the money.

Based on your assurance that Local 969 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 has not been filed by Local 969 for fiscal year ending December 31, 2009. You agreed to file the report by the end of August.

I want to extend my personal appreciation to United Auto Workers LU 969 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: Mr. Dave Davis, President