

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Dallas District Office
525 S. Griffin St Room 300
Dallas, TX 75202
(972) 850-2500 / FAX: (972) 850-2501



January 31, 2005

Mr. Rodney Jones

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Re: 2

Dear Mr. Jones:

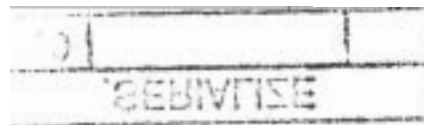
This office has recently completed an audit of United Auto Workers of America Local 716 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with Rodney Jones on January 27, 2005, 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.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-2) filed by Local 716 for fiscal year ending December 31, 2003 was deficient in the following area:

Schedules 14 and 15 were not filed.

It will be necessary for Local 716 to file an amended LM-2 report for 2003 to correct the deficient item discussed above. The necessary reporting forms and instructions are enclosed for your use. You may also use the new electronic forms software available from OLMS to complete the amended reports. One copy of the amended report should be submitted to this office at the above address as soon as possible, but no later than 02/10/05. Before mailing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

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.



The following record keeping violations were revealed during the audit of Local 716's 2003 records:

Some checks which were voided and not issued were not retained.

As agreed, provided that Local 716 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Dietz's successors at whatever time you may leave office. I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,



James Devine
District Director

Enclosures / As Stated