

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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May 18, 2009

Mr. Brian Twarek, Financial Secretary  
Auto Workers AFL-CIO  
Local 1120  
434 Erie Beach Rd.  
Lakeside, OH 43440-1210

LM File Number 008-536  
Case Number:

Dear Mr. Twarek:

This office has recently completed an audit of Auto Workers Local 1120 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 May 6, 2009, 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

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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 1120's 2008 records revealed the following recordkeeping violation:

Minutes of the local's membership meetings were not maintained, therefore the approval of expenses could not be verified. Local 1120's bylaws state that any single disbursement over \$500 has to be approved at the next membership meeting and that, if questions arise, the membership will make the final decision on the payment of voucher.

Based on your assurance that Local 1120 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(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 1120 amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year.

Local 1120 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Auto Workers Local 1120 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: John Hagelberger, President