

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 7, 2008

Mr. Mike Clark, Financial Secretary
Auto Workers AFL-CIO
Local 1186
4104 Genesee Ave
Erie, PA 16510

LM File Number 034-131
Case Number: [REDACTED]

Dear Mr. Clark:

This office has recently completed an audit of Local 1186 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 former Financial Secretary [REDACTED] on March 27, 2008, 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 1186's 2007 records revealed the following recordkeeping violation:

General Disbursements

Local 1186 failed to maintain adequate documentation, such as an original receipt or invoices, for a few disbursements. As previously noted above, labor organization must retain documentation so that each disbursement can be verified, explained, and clarified.

Based on your assurance that Local 1186 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

Failure to File Bylaws

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 1186 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year. Local 1186 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Local 1186 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