

U.S. Department of Labor

Office of Labor-Management Standards
Cincinnati District Office
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September 18, 2009

Mr. Mike Everage, President
Auto Workers 1457
4966 W State Road 44
Connersville

LM File Number: 064-830
Case Number: [REDACTED]

Dear Mr. Everage:

This office has recently completed an audit of Auto Workers Local 1457 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 September 18, 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 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 1457's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 1457 did not retain adequate documentation for reimbursed expenses incurred by you and Financial Secretary Gerlinde Dugle totaling at least \$102.03. For example, on March 20, 2008, Ms. Dugle purchased stamps for \$21.50 but failed to maintain the vendor purchase receipt.

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.

Based on your assurance that Local 1457 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

1. Membership Meetings

During the audit, you advised that Local 1457 had no meeting minutes because it is not holding regular monthly membership meetings. You stated that no meetings were held during 2008.

Article 4, Section 1 of your local union's bylaws requires that regular membership meetings be held on the second Thursday of each month. Article 5, Section 2 states the Executive Board and bargaining committee may not take action affecting the vital interest of the local union without prior membership approval. It is recommended that the union conduct regular membership meetings as outlined in their local bylaws.

2. Voided Checks

Local 1457 did not retain all voided checks during 2008. Check number [REDACTED] was listed as "Void" in the union records, but the voided check could not be located. It is recommended that the union retain all void and cancelled checks with the union's records as a financial safeguard.

I want to extend my personal appreciation to Auto Workers Local 1457 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,

[REDACTED]

Investigator

cc: Gerlinde Dugle, Financial Secretary