

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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August 18,2008

Ms. Ghana Goodwin-Dye, President
Auto Workers, AFL-CIO
Local 909
5587 Stephens Road
Warren, MI 48091

Re: Case Number [REDACTED]
LM File Number: 060-287

Dear Ms. Goodwin-Dye:

This office has recently completed an audit of Auto Workers Local 909 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 former President [REDACTED] former Financial Secretary/Treasurer [REDACTED] and current Financial Secretary/Treasurer Frank Rowser on June 26,2008, 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 909's 2007 records revealed the following recordkeeping violations:

1. Fundraising Ticket Sales

Local 909 did not maintain complete records regarding the collection of at least \$11,973 from the sale of tickets to union-sponsored golf outings, bowling tournaments, and Christmas parties. Mr. [REDACTED] and Joint Activities Representative Donald Gentry sold these tickets to members at the union hall and at the plant. Local 909 properly issued dated duplicate receipts showing the amount of money that Mr. [REDACTED] and Mr. Gentry turned in to the union. However, the union failed to keep any records explaining the number of tickets sold and the price of each ticket. Ticket sales records must contain this information and be sufficient to show that the persons who sell tickets fully account for all of the tickets provided to them by returning any unsold tickets along with the money raised from sold tickets. All unsold tickets, and ticket stubs (if any), must be retained. Unions must also maintain copies of announcements or advertising for events it sponsors and all sign-up sheets or registration forms.

2. Fixed Assets

Local 909 failed to maintain complete records for some of its fixed assets (e.g., office furniture and equipment). Such records are required to verify the accuracy and completeness of the information reported in Schedule 6 (Fixed Assets) of the union's Labor Organization Annual Report (Form LM-2). Union officials were unable to produce records during the audit that documented the cost of the fixed assets in question. Local 909 must maintain adequate records that support the cost (or other basis), accumulated depreciation (if any), book value, and fair market value of its fixed assets reported in Schedule 6.

It was also noted that Article VI, Section 7 of the Local 909 bylaws requires the union's trustees to maintain a list that documents the purchase date, cost, and a description of each of the union's fixed assets. The list of fixed assets provided during the audit failed to account for various office and electronic equipment.

Based on Mr. Rowser's assurance that Local 909 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-2) filed by Local 909 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Fixed Assets

Local 909 failed to report in Schedule 6 (Fixed Assets) the aforementioned office and electronic equipment that was absent from the union's list of fixed assets. The union must report all of its fixed assets, including land, buildings, automobiles, and office furniture and equipment. To properly report fixed assets, the union must enter a description of the location of any land or buildings that it owns in Column (A), the cost or other basis of fixed assets in Column (B), the total depreciation (if any) of fixed assets in Column (C), the book value of fixed assets in column (D), and the fair market value of fixed assets in Column (E).

2. Ending Cash

It appears that the ending cash figure reported in Item 25(B) (Cash) is not the cash figure according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes should be included. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Also to be included is any interest credited to your organization's accounts during the reporting period. The union should obtain account balances from its books as reconciled to the balances shown on bank statements.

I am not requiring that Local 909 file an amended LM report for 2007 to correct the deficient items, but Local 909 has agreed to properly report the deficient items on all future reports it files with OLMS.

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I want to extend my personal appreciation to Local 909 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 are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Frank Rowser, Financial Secretary/Treasurer