

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Minneapolis Resident Office
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Minneapolis, MN 55402
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March 4, 2005

Mr. Dennis Lutz, President
United Autoworkers Local 683
4800 East River Road M350
Minneapolis, MN 55421-1498

Re: **2**

Dear Mr. Lutz:

This office has recently completed an audit of United Autoworkers, Local 683 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, Financial Secretary Wayne Ellefson, International Representative Ron Haworth, Grievance Chair George Popek, and Trustee James Witt on March 2, 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.

Record Keeping Violations

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 audit revealed union officers failed to record the date and purpose of some lost wage claims on records submitted for such expenses. As an example, a check in the amount of \$7,075.89 paid to United Defense had little supporting documentation. This check was written to reimburse United Defense for salary payments which were made by United Defense to union arbitrators while they were not at work due to union business. This payment covered all lost time incurred by four union arbitrators; however, only one Lost Time Voucher was filled out for the group. Records that identify the individual incurring lost time, the date, number of hours lost, rate of pay, and business purpose (reason) for all lost wages must be retained.

As agreed, provided that Local 683 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

Local 683 has not yet filed its Labor Organization Annual Report (Form LM-3) for fiscal year ending December 31, 2004. However, a review of the LM-3 filed for year ending 2003 revealed the following deficient items:

Payments made to Wayne Ellefson to purchase prizes which were given away at union events were not included in the amounts reported in Item 24 (All Officers and Disbursements to Officers), Column (E) (Allowances and Other Disbursements).

All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in Item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expenses).

Local 683 failed to include in Item 46 (To Employees) some direct and indirect disbursements to union employees, including union arbitrators and stewards, for reimbursement of wages lost while conducting union business. Payments made by your organization to employers for reimbursement of wages paid to members (by the employer) for time conducting union business are considered indirect disbursements to the members and must be reported in Item 46. It appears that such payments were incorrectly reported in Item 54 (Other Disbursements).

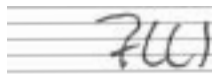
I am not requiring that Local 683 file an amended LM-3 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to your successors at whatever time you may leave office.

UAW, Local 683
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I want to extend my personal appreciation to you and your entire staff for their cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,



Investigator

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