



February 16, 2005

Ms. JoEllen Betts, Financial Secretary
United Auto Workers Local 691

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Dear Ms. Betts:

This office has recently completed an audit of United Auto Workers Local 691 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act (LMRDA) of 1959. As discussed during the exit interview with you on February 15, 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.

➤ **REPORTING VIOLATIONS**

The CAP disclosed a violation of LMRDA Section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 691 for fiscal year ending December 31, 2003, was deficient in the following areas:

Deficient Filing – Some Payments to Officers Were Not Properly Reported

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. For example, Local 691 should have reported the check disbursements for reimbursement for purchase of office supplies and meals in Column E of Item 24 on the LM-3 report.

I am not requiring that Local 691 file an amended LM-3 for 2003 to correct the deficient item, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

➤ **OTHER ISSUES**

Minutes

It is recommended that the membership meeting minutes and executive board meeting minutes are specific, organized, and consistent. Several months from the 2003 audit year were missing either executive board minutes and/or membership meeting minutes. In the case that a meeting is cancelled due to lack of quorum or by pre-arrangement, it is advised that a note is prepared stating such in the official meeting minute's record.

Back-Up Documentation

With respect to documentation retained in support of specific disbursements, the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information. Other types of documentation may be sufficient. For example, Local 691 should include copies of letters requesting donations from other organizations with the disbursement vouchers. Additionally, Local 691 should include registration information for the UAW Summer School with the disbursement voucher for the registration fees.

Bylaws

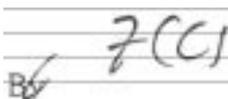
As you indicated during the CAP, Local 691 is currently having the bylaws updated. When the updating of the bylaws is completed, we require that a copy of the updated bylaws be forwarded to this office.

I strongly recommend that you make sure 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.

I want to extend my personal appreciation for the cooperation and courtesy extended by you during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

Dennis L. Eckert
District Director



Investigator

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