

**U.S. Department of Labor**

Office of Labor-Management Standards  
Buffalo District Office  
130 South Elmwood Street, Suite 510  
Buffalo, NY 14202-2465  
(716) 842-2900 Fax: (716) 842-2901



June 17, 2010

Mr. Daniel J. Maloney, President  
Auto Workers, AFL-CIO  
221 Dewey Avenue  
Rochester, NY 14608-1102

Case Number: [REDACTED]  
LM Number: 017610

Dear Mr. Maloney:

This office has recently completed an audit of Auto Workers, AFL-CIO 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 Irene Poray, and Office Manager Sandra Forte on June 9, 2010, 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 Violation**

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 1097's 2009 records revealed the following recordkeeping violation:

**Information Recorded in Meeting Minutes**

During the audit, OLMS was advised that the handwritten portion of the membership and executive board meeting minutes were not retained after the information was transferred to a word document on the computer. Minutes of all membership or executive board meetings, handwritten or otherwise, are official records of the union and must be retained for five years along with other union records.

Based on your assurance that Local 1097 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

**Other Issue**

**Lost Time Policy**

As I discussed during the exit interview with Dan Maloney and Irene Poray, the audit revealed that Local 1097 made lost wages payments that were inconsistent with Article XI, Compensation for Union Business, Section 5 (a) of the local's bylaws.

OLMS recommends that Local 1097 adopt written guidelines concerning lost time payments received by officers or members who conduct union business outside their regular scheduled work hours.

I want to extend my personal appreciation to Auto Workers Local 1097 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: Ms. Irene M. Poray, Financial Secretary  
Mr. Eric J. Martin, 1st Vice President