

**U.S. Department of Labor**

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March 17, 2009

Mr. Douglas Clodfelter, President  
UAW AFL-CIO  
Local 323  
12751 Gran Bay Parkway West  
Jacksonville, FL 32255

LM File Number 050-315  
Case Number: [REDACTED]

Dear Mr. Clodfelter:

This office has recently completed an audit of Autoworkers AFL-CIO LU 323 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 March 12, 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.

The CAP disclosed the following violations:

**Recordkeeping Violation**

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 323's 2007 records revealed the following recordkeeping violation:

#### Information not Recorded in Meeting Minutes

During the audit, we noted that Article V of the local constitution Section 1 states that regular meetings of the Local shall be held the second Saturday of each month at a time and place selected by the Local. According to Article 40 of the international constitution Section 3, it shall be the duty of the Recording Secretary to keep a correct record of the proceedings of the Local Union. However, the minutes of the executive board meeting for May 2007 were missing, so consequently not all information was recorded or available.

Based on your assurance that Local 323 will retain adequate documentation in the future, OLMS will take no further action at this time regarding the above violation.

#### Reporting Violation

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-3 filed by Local 323 for fiscal year ending December 31, 2007, was deficient in the following area:

#### Lost Wages

Local 323 failed to include a payment in lost wages to officers in Item 24 (All Officers and Disbursements to Officers). Such payment was omitted in the LM-3

report for the fiscal year ending 2007. Union officers failed to report one payment for lost wage claims in the amount of \$117.86.

I am not requiring that Local 323 file an amended LM report for 2007 to correct the deficient item, but Local 323 has agreed to properly report the deficient item on all future reports it files with this agency.

I want to extend my personal appreciation to Autoworkers AFL-CIO LU 323 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,



Investigator

cc: Anna Gomez  
Financial Secretary