

**U.S. Department of Labor**  
Cleveland District Office

Employment Standards Administration  
Office of Labor-Management Standards  
Cleveland District Office  
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February 22, 2005

Mr. Anthony Bellanca  
UAW Local Union 1196  
2950 E 55<sup>th</sup> Street  
Cleveland, OH 44127-1207

Re:            **2**

Dear Mr. Bellanca:

This office has recently completed an audit of Local 1196 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, as Amended (LMRDA). As discussed during the exit interview with you on February 4, 2005, the following problems were discussed 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.

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 receipts of the goods or services.

The following record keeping deficiency was revealed during the audit of Local 1196 records covering January 1, 2003 through December 31, 2003:

Union officers failed to retain membership and executive board meeting minutes. As agreed, provided that Local 1196 begin maintaining meeting minutes immediately, no additional enforcement will be taken regarding this violation.

The CAP also disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 1196 failed to meet the standards of acceptability.

Item 33 (Loans Payable) was left blank, failing to disclose a loan made to Local 1196 from the International UAW. The total amounts of loans owed by your organizations at the start and end of the reporting period must be disclosed in Item 33 (C) and (D) respectively.

Since the exit interview, an acceptable amended LM-3 report for fiscal year ending December 31, 2003 has been received. Therefore, no additional action is being considered at this time.

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

Sincerely,

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Investigator